The Journal of Financial Crises

Volume 3 | Issue 3

2021

Turkey Saving Deposit Insurance Fund Bank Recapitalization (2000–2001)

Natalie Leonard
Yale Program on Financial Stability

Recommended Citation

Leonard, Natalie (2021) "Turkey Saving Deposit Insurance Fund Bank Recapitalization (2000–2001)," *The Journal of Financial Crises*: Vol. 3 : Iss. 3, 705-719.
Available at: https://elischolar.library.yale.edu/journal-of-financial-crises/vol3/iss3/31

Turkey Saving Deposit Insurance Fund Bank Recapitalization (2000–2001)[1]

Natalie Leonard[2]

Yale Program on Financial Stability Case Study
November 12, 2021

Abstract

Throughout the 1990s, Turkey's macroeconomy featured high and fluctuating inflation and oscillating GDP growth rates. After Turkey's April 1999 elections, Turkey adopted a new economic program in coordination with the International Monetary Fund (IMF) with three goals: fiscal adjustment, structural reform, and an exchange rate commitment. By the end of the third quarter of 2000, concerns over the pace of structural reform mounted and short-term interest rates remained high. The new Banking Regulation and Supervision Agency (BRSA) revealed significant corruption within several small banks taken over by the Saving Deposit Insurance Fund (SDIF). In November 2000, Demirbank, a private bank that had developed a balance sheet especially concentrated in government debt assets and increasingly acted as a market maker for those securities, could not meet its overnight obligations; this forced it to sell government debt in the secondary market. These sales put significant pressure on overnight rates and created a negative environment for publicly owned banks. In response, the SDIF took over the bank, after having taken over several others. In December 2000, the SDIF injected TL 3.8 quadrillion ($6.1 billion) of capital into the eight SDIF-controlled banks to recapitalize them at a level of 8% of risk-weighted assets. The capitalization program, depositor guarantee, and the central bank's successful defense of the lira calmed the crisis in November and December.

Keywords: broad-based capital injections, broad-based, capital injections, crawling peg, Demirbank, International Monetary Fund (IMF), Saving Deposit Insurance Fund (SDIF), Turkey

---

[1] This case study is part of the Yale Program on Financial Stability (YPFS) selection of New Bagehot Project modules considering broad-based capital injection programs.
Cases are available from the *Journal of Financial Crises* at https://elischolar.library.yale.edu/journal-of-financial-crises/.

[2] Research Associate, YPFS, Yale School of Management.

Turkey Saving Deposit Insurance Fund Bank Recapitalization (2000–2001)

At a Glance

Throughout the 1990s, Turkey's macroeconomy featured high and fluctuating inflation and oscillating GDP growth rates (Ekinci 2002). External debt increased from $66 billion in 1994 to $104 billion by the end of 1999 (Ekinci 2002). After Turkey's April 1999 elections, the country adopted a new economic program in coordination with the International Monetary Fund (IMF), with three goals: fiscal adjustment, structural reform, and an exchange rate commitment (IMF 1999). The exchange rate commitment entailed a crawling peg regime with a pre-announced exit strategy (Ekinci 2002).[3]

While the economy successfully met depreciation and cost of borrowing targets in 2000, other macroeconomic goals lagged (Ekinci 2002). Annual inflation was 39% (higher than the 25% goal), the current account logged a record deficit at 5% of gross national product (GNP), and the government realized only 50% of the privatization target (Ekinci 2002). By the end of the third quarter of 2000, concerns over the pace of structural reform mounted and short-term interest rates remained high (Ekinci 2002). The new Banking Regulation and Supervision Agency (BRSA) revealed

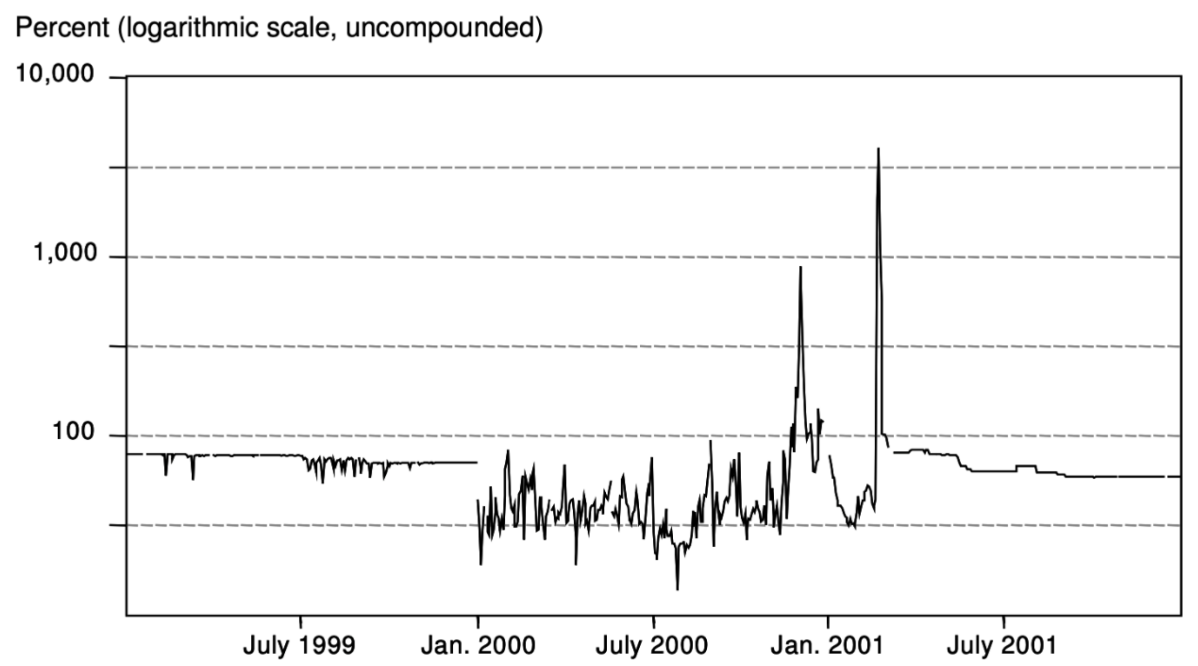
Summary of Key Terms	
Purpose: To recapitalize 11 SDIF-controlled private banks to 8% of risk-weighted assets, in response to market turmoil in November 2000.	
Announcement date	December 6, 2000
Operational date	December 7, 2000
Sunset date	n/a
Voluntary vs involuntary/timeframe institution	Involuntary
Program size	TL 3.8 quadrillion ($6.1 billion)
Maximum usage per bank	8% of risk-weighted assets
Capital characteristics	Floating-rate Treasury securities that paid quarterly coupons linked to CBT repo rate and the average Treasury bill rate
Outcomes	Calmed markets, reversed capital outflows
Key features	The SDIF took over management of all re-capitalized banks, resolving all banks by 2004

[3] Specifically, the exchange rate was pegged to a basket ($1 + DM 1.5 or €0.75) with a gradually declining monthly rate of depreciation for 18 months (Ekinci 2002). The cumulative rate of depreciation was to reach 20% by the end of 2000; and from July 2001, the basket was to fluctuate within a widening band, reaching 22.5% by year-end 2002 (Ekinci 2002).

significant corruption within several small banks taken over by the Saving Deposit Insurance Fund (SDIF) (Ekinci 2002).

Given the high interest rates on Turkish lira assets, banks had regularly obtained foreign currency from abroad and invested in high-yield local debt instruments, exposing themselves to exchange rate and liquidity risks (Kenc, Ibrahim, and Yildirim 2011). In November 2000, Demirbank, a private bank that had developed a balance sheet concentrated in government debt assets and increasingly acted as a market maker for those securities, could not meet its overnight obligations; this forced it to sell government debt in the secondary market (Ozatay and Sak 2002; Kenc, Ibrahim, and Yildirim 2011). These sales put significant pressure on overnight rates and created a negative environment for public banks (Kenc, Ibrahim, and Yildirim 2011) (See Figure 1). In response, the SDIF took over the bank (CNN.com 2000).

Figure 1: Weighted average overnight rate, daily data, 1991–2001



Source: Ozatay and Sak 2002.

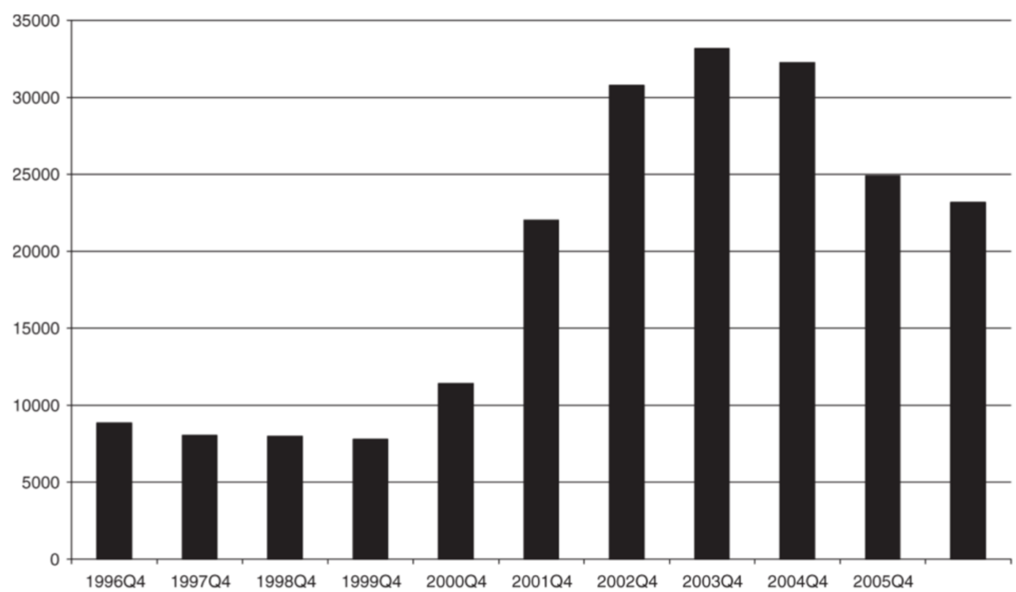
In December 2000, the SDIF injected TL 3.8 quadrillion ($6.1 billion) of capital into the eight SDIF-controlled banks at a level of 8% of their risk-weighted assets (IMF 2001). The SDIF created the capital through the transfer of floating rate Treasury securities to the banks (IMF 2001). The treasury notes paid quarterly coupons linked to borrowing costs and foreign exchange-linked bonds (IMF 2001). By December 6, 2000, the SDIF had eleven banks under its control (IMF 2000a).

Summary Evaluation

By 2004 the SDIF resolved all controlled banks, either through merger or sale (Saving Deposit Insurance Fund 2004).

The capitalization program, depositor guarantee, and the central bank's successful defense of the lira calmed the crisis in November and December (Kenc, Ibrahim, and Yildirim 2011; Ozatay and Sak 2002). However, the central bank lost almost 20% of its reserves defending the peg (Ozatay and Sak 2002). The IMF authorized a Supplemental Reserve Facility on December 21, 2000, to provide an additional $7.5 billion to the central bank (IMF 2000b). Between December 2000 and December 2002, the Turkish government's total debt owed to multilateral institutions increased from approximately $8 billion to $31 billion. As of 2009, the government still owed $23 billion (Dufour and Orhangazi 2009) (see Figure 2).

Figure 2: Outstanding debt to multilateral institutions (in $ millions)



Source: Dufour and Orhangazi 2009.

By February 2001, another currency crisis materialized following a political crisis between the Prime Minister and the President (Ozatay and Sak 2002). The overnight rate increased to 2,058% on February 19 and 4,019% on February 20 (Ozatay and Sak 2002). By February 21, the government could no longer defend the peg and let the lira float (Ozatay and Sak 2002). The next day, the lira depreciated from TL 685,000 Liras to the dollar to TL 985,000 to the dollar (Ozatay and Sak 2002).

Dufour and Orhangazi (2009) argue that the debt burden that Turkey took out in attempting to defend its exchange rate regime and capitalize banks was both unsustainable and a result of IMF pressure. The full guarantee of depositors along with the necessity that the SDIF take over any failing bank amounted to a debt nationalization program; the financial debt burden shifted to a sovereign debt burden that lasted for a decade after the program (Dufour and Orhangazi 2009). Kenc, Ibrahim, and Yildirim (2011) argue that as a result of the crisis in 2001, the banking sector became more resilient, with high capital adequacy, high profitability, and better risk management.

Turkey Context 2000 - 2001	
GDP (SAAR, Nominal GDP in LCU converted to USD)	$272.91 billion in 2000 $205.71 billion in 2001
GDP per capita (SAAR, Nominal GDP in LCU converted to USD)	$4,337 in 2000 $3,143 in 2001
Sovereign credit rating (5-year senior debt)	As of Q4 2000: Fitch: BB Moody's: - S&P: B+ As of Q4 2001: Fitch: B3 Moody's: B- S&P: B-
Size of banking system	$85.84 billion in 2000 $96.76 billion in 2001
Size of banking system as a percentage of GDP	31.82% in 2000 34.58% in 2001
Size of banking system as a percentage of financial system	96.51% in 2000 96.76% in 2001
5-bank concentration of banking system	85.43% in 2000 91.28% in 2001
Foreign involvement in banking system	35% foreign owned in 1999/2000
Government ownership of banking system	33% state owned in 1999/2000
Existence of deposit insurance	Deposit insurance backed by SDIF
Sources: Bloomberg; World Bank Global Financial Development Database; World Bank Deposit Insurance Dataset.	

Key Design Decisions

1. **Part of a package: Turkey's SDIF bank capital injection was part of two capital injection programs to recapitalize private and public banks in response to November and December 2000 market stress. The SDIF transferred nonperforming loans (NPLs) of the participating banks to an asset management unit of the SDIF. The BRSA also issued a temporary, full guarantee of depositors.**

The Banking Regulation and Supervision Agency (BRSA) announced the recapitalization program on November 16, 2000 (IMF 2000a). A December 18, 2000 IMF Letter of Intent (LoI) further described the program (IMF 2000a). The capital injection to Saving Deposit Insurance Fund (SDIF) banks was part of two programs designed to recapitalize SDIF-controlled, one for private banks and one for state-owned banks (Dufour and Orhangazi 2009). The SDIF recapitalized eligible banks on December 7, 2000 (IMF 2000a). In the December 18, 2000, LoI, the government also announced the creation of a dedicated Asset Management Unit, in charge of recovering the value of the assets of banks taken over by the SDIF (IMF 2000a). Both injection programs had the goal of calming capital markets, though overnight rates again deteriorated in February in response to a political crisis (Ozatay and Sak 2002).

On December 6, 2000, the BRSA and the government announced a temporary, full guarantee of depositors and "other creditors (except deposits by owners, deposits in connection with criminal activities, subordinated debt, and shareholder equity)" (IMF 2000a). The guarantee covered domestic deposit-taking banks, and the SDIF administered the guarantee in accordance with Bank Act No. 4389 passed in June 1999 (IMF 2000a).

2. **Legal Authority: Bank Act No. 4389 detailed the authorities of the BRSA and SDIF.**

The Turkish Parliament passed Bank Act No. 4389 on June 18, 1999, which detailed the SDIF's and BRSA's authority (Turkey 1999). The Bank Act established the BRSA, an entity independent of the Central Bank of Turkey and the Treasury, which became fully operational as of August 2000 (IMF 2000a). Article 14 of the Bank Act endowed the BRSA with the right to dismiss management, appoint new board members, require provisions up to 100% of deposits, liquidate assets, divest fixed or long-term assets, and take over shares of controlled banks (Turkey 1999, Article 14). Article 15 of the act specified the duties of the SDIF. In general, the SDIF had authorization to liquidate, merge, and acquire assets of banks for which it had "management and control and privileges of shareholders except dividends" (Turkey 1999, Article 14, Section 5[a]). The SDIF had three primary means by which it could execute this authority.

First, the SDIF could transfer the assets, organization, personnel, and insured deposits of a controlled bank to a bank that carried out banking operations for the BRSA (Turkey 1999, Article 14, Section 5[aa]). As of September 7, 2001, Bayindirbank served this function (Saving Deposit Insurance Fund 2004). Second, the SDIF could take over losses not exceeding the value of insured deposits on the condition of owning all of the bank's equity (Turkey

1999, Article 14, Section 5[ab]). Third, it could take over shares of the bank through payment of the share price to shareholders, as determined "by deducting the loss from paid-up capital" (Turkey 1999, Article 14, Section 5[ac]).

The SDIF was able to "borrow [government securities] in extraordinary situations" from the Treasury (Turkey 1999, Article 15). Provisional Article 4 of the Bank Act authorized the BRSA to determine "principles and procedures" for the sale and transfer of banks shares owned by the SDIF (Turkey 1999, Provisional Article 4).

3. Communications: The BRSA announced the recapitalization program. The Official Gazette published details of BRSA decisions relating to SDIF-controlled banks.

The BRSA announced the bank recapitalization program on November 16, 2000 (IMF 2000a). A December 18, 2000, IMF Letter of Intent described the program (IMF 2000a).

Article 14 of Bank Act No. 4389 specified that a BRSA "decision related to the revocation of license for performing banking activities and accepting deposits, or to transfer shares of a bank to the Fund, or to transfer rights of shareholders except dividends and management and control shall be published in the Official Gazette" (Turkey 1999, Article 14).

4. Governance: The BRSA and the SDIF administered the capital injection program.

The BRSA and the SDIF administered the capital injection (IMF 2000a). Specifically, the SDIF became, as per the 1999 Bank Act, a legal entity controlled by the BRSA (IMF 2000a). The Bank Act created an Asset Management Unit to recover the value of the assets of banks taken over by the SDIF (IMF 2000a). The BRSA monitored bank balance sheets and income reports to determine insolvency (IMF 2000a). As of September 2000, the SDIF controlled eight banks; two more were taken over in October and a third on December 6 (IMF 2000a).

5. Size of the program: There was no predetermined size. The SDIF injected in total TL 3.8 quadrillion ($6.1 billion) worth of capital on December 7, 2000. The SDIF borrowed $6.1 billion in domestic and foreign currency from the Treasury to cover the cost of capital.

Capital injections came in two phases. The SDIF injected capital into the eight banks controlled prior to October on December 7, 2000 (IMF 2000a). The SDIF took over three other banks between October and December 2000 (IMF 2000a). The SDIF also injected these banks with additional capital amounting to 8% of their risk-weighted assets (IMF 2000a).

The amount of injected capital to all 11 banks totaled TL 3.8 quadrillion ($6.1 billion) (IMF 2001). However, at the time, estimates of SDIF bank capital losses from increases in interest rates, securities portfolio losses, and takeovers were significantly higher (IMF 2001). By April 31, 2001, total public sector debt required to cover losses and NPLs was estimated as high as TL 13.7 quadrillion ($22 billion) (IMF 2001).

The SDIF borrowed $6.1 billion from the Treasury on November 16 in foreign currency and TL with a two-year grace period and repayment over the subsequent 10 years to cover the cost of capital injected in these eight banks (IMF 2000a).

6. Eligible institutions: The 11 banks taken over by the SDIF by December 6, 2000, receiving capital injections were eligible for the program.

The eight SDIF-controlled banks prior to October 2000 and the three banks taken over in October and December 2000 were injected with capital (IMF 2000a). The SDIF recapitalized the eight banks controlled prior to October 2000 on December 6, 2000 and recapitalized the three banks taken over in October and December 2000 in subsequent months (IMF 2000a).

Figure 3: Partial list of banks taken over by the SDIF, 1999–2001

Bank	Date of the takeover	Share in total assets as of the takeover year	Were any of the owners or the executives arrested?
Sumerbank	December 21, 1999	0.6	Yes, Oct.-Nov. 2000
Egebank	December 21, 1999	0.6	Yes, Oct.-Nov. 2000
Esbank	December 21, 1999	0.8	No
Yasarbank	December 21, 1999	0.5	No
Yurtbank	December 21, 1999	0.6	Yes, Oct.-Nov. 2000
Etibank	October 27,2000	1.2	Yes, Oct.-Nov. 2000
Bank Kapital	October 27,2000	0.3	Yes, Oct.-Nov. 2000
Demirbank	December 06,2000	2.4	No
Ulusalbank	February 28,2001	0.1	No
Iktisat	Marc 15,2001	0.7	No
Bayındırbank	July 10,2001	0.2	No
EGS Bank	July 10,2001	0.5	No
Sitebank	July 10,2001	0.1	No
Kentbank	July 10,2001	1.0	No
Toprakbank	November 30, 2001	1.0	No

Source: Banks Association of Turkey, Banking Regulation and Supervision Authority, and various daily newspapers.
a. SDIF = Savings Deposit Insurance Fund.

Source: Ozatay and Sak 2002.

As of November 16, 2000, the SDIF had 10 banks under its control (IMF 2000a). The SDIF also financially restructured and resolved the two banks taken over in October 2000 and Demirbank, though on a delayed timetable (IMF 2000a). Demirbank was eventually acquired by HSBC in 2001 (Dufour and Orhangazi 2009).

7. Individual participation limits: The SDIF recapitalized eligible banks up to 8% of risk-weighted assets.

The SDIF recapitalized eligible banks through a transfer of government securities to a level of at least 8% of risk weighted assets (IMF 2000a).

After the November 2000 market turmoil, overnight rates again peaked in February following a political crisis (Ozatay and Sak 2002). The SDIF took over more banks between February and November 2001 (Ozatay and Sak 2002).

8. Capital characteristics: The SDIF created the capital by transferring floating-rate Treasury securities.

The SDIF created the capital through the transfer of floating-rate Treasury securities to the banks (IMF 2001). The Treasury notes paid quarterly coupons linked to borrowing costs and foreign exchange–linked bonds (IMF 2001). Coupons on floating-rate notes were linked to both the Central Bank of Turkey (CBT) repo rate and the average Treasury bill rate (IMF 2001). Floating-rate notes were preferable given the tight monetary conditions, severe interest rate shocks, and bank exposure to interest rate risk (IMF 2001). Losses were written off against capital thereby created (IMF 2000a). Loan-loss provisions were tax deductible to facilitate proper provisioning (IMF 2001).

By the end of March 2001, estimated losses in market value of Treasury securities held by SDIF banks and recapitalization notes issued in December 2000 totaled TL 2.5 quadrillion ($1.1 billion) (IMF 2001).

9. Shareholder dilution: The SDIF had the authority to allocate losses to existing shareholders.

The SDIF could take over shares through payment to shareholders of a share price determined "by deducting the loss from paid-up capital" (Turkey 1999, Article 14, Section 5[ac]).

10. Existing board and management: The BRSA had the right to transfer to the SDIF all management and control and privileges of shareholders except dividends.

In the event the BRSA determined that a bank was failing to institute a suitable capital restoration plan despite having capital ratios below regulatory minimums, the BRSA could require the bank to skip dividend payments, cease making bonus or similar payments to the Board of Directors, limit nonprofitable operations, or liquidate inefficient assets (Turkey 1999, Article 14–1). If the bank failed to comply with a suitable capital restoration plan, the BRSA could transfer the management and control and privileges of shareholders except dividends to the SDIF (Turkey 1999, Article 14–1). Additionally, the BRSA had the right to transfer all management and control and privileges of shareholders except dividends of SDIF-controlled banks to the SDIF if shareholders, who directly or indirectly hold the bank's management or control, used bank's resources for their own interest, and jeopardized "the secure functioning of the bank" (Turkey 1999, Article 14–1).

11. Timeframe/exit strategy: The SDIF intended to sell banks controlled by the SDIF by May 7, 2001. The SDIF did not meet this timeline, though the fund did resolve all controlled banks by 2004.

As per Turkey's December 18, 2000, Letter of Intent with the IMF, the SDIF was to select buyers for all banks by May 7, 2001 (IMF 2000a). Potential buyers were to submit "expression of interest" letters by December 15, and the BRSA was to notify investors of approval no later than December 22, 2000 (IMF 2000a).

The SDIF sold Bank Ekspres, Demirbank, Sumerbank, Sitebank, and Tarisbank by 2002, while other banks under SDIF control were merged (Saving Deposit Insurance Fund 2004). As of 2004, the SDIF merged or sold all banks excluding Bayindirbank, which it made a "transition bank to carry out the asset management function," and Pamukbank, which the Fund merged with a public bank (Saving Deposit Insurance Fund 2004). The status of the banks taken over by the SDIF as of 2004 is detailed below in Figure 4.

Figure 4: Status of banks taken over by SDIF as of 2004

Bank	Date acquired by SDIF	Notes
Merged Banks		
Egebank	12.21.1999	Merged with Sumerbank on 01.26.2001
Yurtbank	12.21.1999	Merged with Sumerbank on 01.26.2001
Yaşarbank	12.21.1999	Merged with Sumerbank on 01.26.2001
Bank Kapital	10.27.2000	Merged with Sumerbank on 01.26.2001
Ulusalbank	02.28.2001	Merged with Sumerbank on 04.17.2001
Interbank	01.07.1999	Merged with Etibank on 06.15.2001
Esbank	12.21.1999	Merged with Etibank on 06.15.2001
İktisat Bankası	03.15.2001	Banking license revoked on 12.07.2001 and the liquidation process initiated. Later, with the decision taken in the General Assembly on 04.04.2002, liquidated and merged with Bayindirbank.
Kentbank	07.09.2001	Banking license revoked on 12.28.2001 and the liquidation process initiated. Later, with the decision taken in the General Assembly on 04.04.2002, liquidated and merged with Bayındırbank.
EGS Bank	07.09.2001	Banking license revoked on 01.18.2002 and merged with Bayindirbank as of the same date.
Etibank	10.27.2000	Banking license revoked on 12.28.2001 and the liquidation process initiated. Later, with the decision taken in the General Assembly on 04.04.2002, liquidated and merged with Bayindirbank.
Toprakbank	11.30.2001	Banking license revoked as of 30.09.2002 and merged with Bayindirbank as of the same date.
Sold Banks		
Bank Ekspres	12.12.1998	Sold to Tekfen Group on 06.30.2001. Tekfenbank A.Ş. of Bank Ekspres A.Ş. Approved by the BRSA on 10.18.2001.
Demirbank	12.06.2000	On 09.20.2001, HSBC Bank Plc. and the actual share transfer realized on 10.30.2001.
Sumerbank	12.21.1999	Sold to Oyak Group on 09.08.2001, and the transfer of Sumerbank to Oyakbank A.Ş. registered on 11.01.2002.

Sitebank	07.09.2001	Share transfer agreement signed with Novabank SA on 12.20.2001, and the share transfer made on 01.25.2002.
Tarişbank	07.09.2001	Share transfer agreement regarding the transfer to Denizbank A.Ş. signed on 10.21.2002 and the actual share transfer completed as of 10.25.2002. Denizbank A.Ş. and Tarişbank approved by the BRSA on 12.19.2002 and the merger completed on 12.27.2002.
Banks in the Liquidation Process as of March 2004		
Türkbank	11.06.1997	Dissolution and liquidation of the bank decided at the extraordinary General Assembly meeting held on 08.09.2002, registered in the Trade Registry Office on 14.08.2002, and announced in the Trade Registry Gazette dated 08.19.2002 and numbered 5616. In the extraordinary General Assembly meeting of the bank on 04.09.2003, the liquidation balance sheet dated 08.14.2002 was approved and new liquidators were appointed. With the decision of the Liquidation Board dated 12.01.2003, all branches were systematically closed, and with the decision dated 12.02.2003, it was decided to terminate the employment contracts of all personnel.
Banks whose Management and Supervision Has Been Transferred to the Fund		
Kıbrıs Kredi Bankası	27.09.2000	Liquidation studies continue.
İmar Bankası	03.07.2003	The Banking Regulation and Supervision Board's decision dated 07.03.2003 and numbered 1085, pursuant to paragraph (3) of Article 14 of Bank Act No. 4389, revoked the permission of İmar Bank to conduct banking transactions and to accept deposits, and the management and control of the company has been transferred to the Fund. A lawsuit was filed on 02.19.2004 for the bankruptcy of the bank.
Banks within the structure of the SDIF		
Bayindirbank	09.07.2001	Selected as the transition bank to carry out the asset management function.
Pamukbank	19.06.2002	With the decision of the Board dated 01.31.2003 and numbered 978, and the resolution of the Fund Board of Directors dated 01.31.2003 and numbered 61, the agreement regarding the restructuring of the debts of the Çukurova Group to Pamukbank and Yapi ve Kredi Bankasi A.Ş. signed in 2003. Two investor

		groups submitted proposals to the bank, whose sales process was restarted. These proposals were found insufficient by the SDIF Board of Directors on 12.29.2003, and studies were initiated to evaluate the resolution of the bank by merging it with a public bank.

Source: Saving Deposit Insurance Fund 2004.

References and Key Program Documents

Legal/Regulatory Guidance

(Turkey 1999) Turkey. 1999. Banks Act.
Legislation adopted by the Parliament of Turkey creating the SDIF and BRSA. https://ypfs.som.yale.edu/library/bank-act-no-4389.

Press Releases/Announcements

(IMF 1999) IMF. 1999. "Turkey Letter of Intent, December 9, 1999."
Letter of Intent detailing Turkish structural adjustment program.
https://ypfs.som.yale.edu/library/turkey-letter-intent-december-9-1999.

(IMF 2000a) IMF. 2000. "Turkey Letter of Intent, December 18, 2000."
Letter of Intent detailing SDIF takeover of banks in the few preceding months. https://ypfs.som.yale.edu/library/turkey-letter-intent-december-18-2000.

(IMF 2000b) IMF. 2000. "Press Release: IMF Approves Third and Fourth Turkey Reviews and US$7.5 Billion Supplemental Reserve Facility Credit."
Press Release announcing expanded Turkish access to IMF Supplemental Reserve Facility. https://ypfs.som.yale.edu/library/press-release-imf-approves-third-and-fourth-turkey-reviews-and-us75-billion-supplemental.

Media Stories

(Reuters 2000) Reuters. 2000. "Turkey Puts 9th Biggest Bank under Special Supervision." *Reuters*, December 6, 2000.
Story about the SDIF takeover of Demirbank.
https://ypfs.som.yale.edu/library/turkey-puts-9th-biggest-bank-under-special-supervision.

Key Academic Papers

(Dufour and Orhangazi 2009) Dufour, Mathieu, and Özgür Orhangazi. 2009. "The 2000–2001 Financial Crisis in Turkey: A Crisis for Whom?" *Review of Political Economy* 21 (1): 101–22.

Academic Paper analyzing effects of 2000-2001 crisis on international capital flows and labor. https://ypfs.som.yale.edu/library/2000-2001-financial-crisis-turkey-crisis-whom.

(Ekinci 2002) Ekinci, Nazım Kadri. 2002. "Anatomy of the Recent Crisis in Turkey." *Journal of Economic Cooperation*, 20.
Academic paper summarizing the 2000-2001 crisis.
https://ypfs.som.yale.edu/library/anatomy-recent-crisis-turkey.

(Kenc, Ibrahim, and Yildirim 2011) Kenc, Turalay, Mustafa Ibrahim, and Onur Yildirim. 2011. "The Experience with Macro-Prudential Policies of the Central Bank of the Republic of Turkey in Response to the Global Financial Crisis," October.
Academic paper providing overview of developments in the banking sector from 2001-2010.
https://ypfs.som.yale.edu/library/experience-macro-prudential-policies-central-bank-republic-turkey-response-global-financial.

(Ozatay and Sak 2002) Ozatay, Fatih, and Güven Sak. 2002. "Banking Sector Fragility and Turkey's 2000-01 Financial Crisis." *Brookings Trade Forum* 2002 (January). Academic paper summarizing the crisis focusing on exchange and overnight rates. https://ypfs.som.yale.edu/library/banking-sector-fragility-and-turkeys-2000-01-financial-crisis

Reports/Assessments

(IMF 2001) IMF. 2001. Turkey: Sixth and Seventh Reviews Under the Stand-By Arrangement; Staff Supplement; and Press Release on the Executive Board Discussion. International Monetary Fund.
2001 IMF Staff Report on Turkish economic development policies.
https://ypfs.som.yale.edu/library/turkey-sixth-and-seventh-reviews-under-stand-arrangement-staff-supplement-and-press-release.

(Saving Deposit Insurance Fund 2004) Saving Deposit Insurance Fund. 2004. "Faaliyet Raporu [Activity Report]," March 2004.
Quarterly report published by the SDIF specifing SDIF exit strategy.
https://ypfs.som.yale.edu/library/quarterly-activity-report.