

TABOGLU & DEMIRHAN

Newsletter

BANKING SECTOR HIGHLIGHTS

- According to the announcement made by Turkiye Is Bankasi, the Bank has borrowed a syndicated loan in the amount of US\$ 570 million from the international financial markets. The loan agreement has been signed on 28 May 2009 in London with the participation of twenty-eight banks from fourteen countries. The syndicated loan is granted in two separate credit tranches as US\$ 255 million and Euro 225.25 million.
- As per the dailies, despite the global financial crisis, none of the seventeen banks that are listed on the Istanbul Stock Exchange has announced any loss in the first quarter of 2009. According to the data announced by the Banks Association of Turkey, the net profit of these seventeen banks has increased by 23% and reached to TRY 3 billion 614 million in the first quarter of 2009. Except for Akbank, Sekerbank, Turkiye Kalkinma Bankasi and Yapi ve Kredi Bankasi, the profits of the said banks have increased. The highest amount of profit has been achieved by Garanti Bankasi.

PRIVATIZATION UPDATE

- The signature process for the updated version of the Strategy Deed of the Electricity Market, prepared in 2004, has been finalized by the Supreme Planning Council. Accordingly, the privatization of electricity distribution will be finalized within the year 2009 and the process for the privatization of electricity generation will launch. It has been further stated that the number of consumers, who are at the liberty to choose their providers, will be increased. Whilst all the consumers except for the residential subscribers will be able to freely choose their providers by the end of 2011, the residential subscribers will have such liberty as of 2015.

CAPITAL MARKET NEWS

- The Capital Markets Board has issued two amending Communiqués both of which are published in the Official Gazette on 30 May 2009. Accordingly, the Communiqué amending the Communiqué Serial: VIII No: 35 on Principles Regarding Appraisal Companies and their Listings by the Board has made amendments in relation to share transfers and removals from the list and introduced a new article with respect to the suspension of activities. Secondly, the Board has issued the Communiqué amending the Communiqué Serial: VIII No: 34 on Principles Regarding Licensing and Registration of the Professionals engaging in Capital Market Activities and determined certain new standards.
- Deniz Emeklilik ve Hayat has been granted a license in pension sector by the Undersecretariat of Treasury. The Company has applied to the Capital Markets Board to obtain its permission for the establishment of seven private pension funds. It is announced that the Company will start its operations upon the Board's permission.
- As per the announcement made by Turkish Airlines to the Istanbul Stock Exchange, the Board of Directors has adopted a resolution to incorporate a joint stock company which will provide training services and train qualified personnel in the areas of civil aviation such as air traffic control and financial, technical and operational audit of the airline companies.
- According to the statement released by TAV Havalimanlari Holding to the Istanbul Stock Exchange, the Holding is not interested in the sale of Airports International, previously known as Meiml Airports International, and will not submit an offer.

Highlights

a. Banking Sector Highlights

b. Privatization Update

c. Capital Markets News

d. Telecommunications Sector News

e. Energy Market Update

f. Other News

TELECOMMUNICATIONS SECTOR NEWS

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- The Information and Communication Technologies Authority has issued the Authorization Regulation regarding the Electronic Communication Sector, published in the Official Gazette on 28 May 2009. The Regulation aims to determine the procedures and guidelines for the authorization of the companies willing to provide electronic communication services and/or to establish and operate an electronic communication network or infrastructure.
- The Regulation regarding the Protection of the Commercial Secrets of the Operators and the Publishing of the Information that may be disclosed to Public has been issued by the Information and Communication Technologies Authority, published in the Official Gazette dated 28 May 2009. The Regulation governs the principles in relation to the protection of commercial secrets of the electronic communication service companies and public disclosure of such companies' information.
- Asmakinsan and Nordex have executed an agreement regarding the purchase of 10 wind turbines with a capacity of 25 MW in total for an amount of Euro 35 million. The wind turbines will be installed in Bandirma and Bursa and the wind power plant will start its operations in December 2009.
- Genel Enerji, the majority shares of which is owned by Cukurova Group, and TPIC, a subsidiary of TPAO, have signed an agreement to form a partnership for exploration of petroleum in Maria Conchita, Colombia. TPIC will hold 51% stake in the partnership whereas the remaining 40% will be held by Genel Enerji and 9% by Multi Servicios.
- The Minister of Energy and Natural Resources has stated that the studies for the preparation of the draft law in relation to the natural gas market are still continuing. He has further stated that it is planned to create competitive environment that will be in favor of the consumers.

ENERGY MARKET UPDATE

- The Ministry of Energy and Natural Resources has prepared a draft law that will enable private sector to audit the electricity generation plants. Accordingly, the Ministry, the authorized public entities or the certified audit companies will be able to audit the electricity generation companies prior to issuance of construction permit or operation licenses. The certificates of the audit companies will be granted by the Energy Market Regulatory Authority and the General Directorate of State Water Works.

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OTHER NEWS

- Ericsson has purchased 100% of Bizitek shares, a system integration company. The integration process of Bizitek into Ericsson is expected to be completed within one year from the date of the agreement.
- The Savings Deposit Insurance Fund has announced that Plato Veri Dagitim has been put on sale in return for the debts of Aksoy Group. The bidders will be able to submit their bids for the Company with an estimated value of US\$ 2 million 75 thousand until 9 June 2009 and the tender will be held on 10 June 2009.

The aim of this weekly newsletter is to highlight mainly the regulatory changes made by the Turkish Government during the relevant week. The content of this bulletin is limited to those areas Taboglu & Demirhan advises its clients. It contains a general summary of the changes and the areas it covers are broader. Thus, one should not rely on it for specific advice. For further information or advice please contact Taboglu & Demirhan, a full-service law firm based in Istanbul.

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