

# TABOGLU, ATES & DEMIRHAN

## Newsletter

### NEWS RE BANKING SECTOR

- As per the dailies, Is Bankasi, Ziraat Bankasi, Akbank, Garanti Bankasi and Yapi Kredi Bankasi, have 63% of total assets, 65% of deposits and 58% of credit in the banking sector. According to the Report on Banking System of Turkey for June 2007 prepared by the Banks Association of Turkey, the share of banks listed in Istanbul Stock Exchange, in the total actives of the sector, has reached 74%.
- Pursuant to the announcement made by Akbank, the bank has received Euro 1 billion syndicated loan in order to be utilized for foreign trade investments. It has been stated that the loan was the highest amount of syndicated loan in Turkish banking sector. The syndicated loan granted by 54 banks from 20 countries bears the interest of LIBOR 47.5 bps.
- As per the dailies, Vice General Manager of Akbank has stated that local and foreign banks have provided approximately USD 13–14 billion credit to privatization, infrastructural and energy projects. Additionally, he added that the amounts will be doubled in the following two years. Turkey has been in the first 10 countries around the world in the project finance area and the credit risks are within the acceptable ratios with high profits. Thus, leading banks globally are competing to grant project financing loans in Turkey whereas local banks may also compete with foreign banks due to their knowledge of local market and its risks. He added that Akbank has become one of the biggest players in the market by providing approximately US\$4 billion credit. The Vice General Manager stated that, the Bank will focus on energy, real estate, logistic and infrastructural projects in the following term.
- Is Bankasi has requested the amount of TRY 96.2 million, which is corresponding to its 2007 second term interim corporate tax, to be deducted from its tax receivables of TRY 179.3 million.

### CAPITAL MARKETS HIGHLIGHTS

- According to the weekly bulletin of the Capital Markets Board, the Board has approved the amendments to be carried out in the internal regulations regarding the merger of Type B Liquid Fund of Koc Yatirim Menkul Degerler A.S. and Type B Liquid Fund of Yapi Kredi Menkul Degerler A.S. under the name of Type B Liquid Fund of Yapi Kredi Yatirim. In addition, Type B Bond Funds of Koc Yatirim and Type B Bond Funds of Yapi Kredi Yatirim shall merge under Type B Bond Funds of Koc Yatirim and the new title shall be Type B Long Term Bond Funds of Yapi Kredi Yatirim. The new title of Type B Private Portfolio Management Variable Fund of Koc Yatirim shall be Type B Private Portfolio Management Variable Fund of Yapi Kredi Yatirim. The new title of Type A Private Portfolio Management Variable Fund of Koc Yatirim shall be Type A Private Portfolio Management Variable Fund of Yapi Kredi Yatirim. Finally the new title of Type A Koc Companies Participation Fund of Koc Yatirim shall be Type A Koc Companies Participation Fund of Yapi Kredi Yatirim. It has also been announced in the weekly bulletin that the establishment of the Type B Corporate Variable Fund of Yapi Kredi Bankasi A.S. with TRY 500,000,000 initial amount has been approved.
- The mandatory tender offer period of Ray Sigorta, which has been carried out by TBIH Financial Services, was completed on 20 August 2007. According to the statement made to Istanbul Stock Exchange, shareholders holding the TRY 6,424,617.57 nominal valued shares representing 16.06% of the capital of Ray Sigorta have participated in the offer. The tender offer has not changed the control and management structure of Ray Sigorta since TBIH was the controlling shareholder prior to the tender offer.

#### Highlights

a. News Re Banking Sector

b. Capital Markets Highlights

c. Energy Market Updates

d. Other News

**ENERGY MARKET UPDATES**

- According to the dailies, the Ministry of Energy and Natural Resources has announced that Iran's and Turkey's private sector have come to an agreement to install 3 natural gas transformation plants with 2000 megawatt capacity. The Ministry also explained that with the new transfer lines 3-6 million kilowatt hours energy could be carried out in a year. Additionally Turkish investors have agreed to build 10 thousand megawatt power hydroelectric plants with build-operate-transfer model. Furthermore the Ministry added that the transactions carried out by TPAO regarding natural gas sources in Iran in three blocks have continued.
- As per the dailies, Sabanci Holding has announced that EnerjiSA has reached the final level in the installment of two energy plants with 450-megawatts capacity in Adana. The project development will be made with Turkish Coal Works General Directorate and shall become the second largest thermal power plant of Turkey following Elbistan Thermal Power Plant. The plant is planned to produce approximately 3 billion kilowatt-hour energy per year and will be completed within 4 years.
- Pursuant to the dailies, Yesil Enerji Uretim A.S., which is one of the affiliates of Global Yatirim Holding A.S, has announced that the company has purchased the shares of ERS Enerji A.S. and Osmanli Enerji A.S., which are holding 40% shares in Duzce-Aksu Hidroelektrik Enerjiden Elektrik Uretim Santrali Ltd. Şti. in consideration of US\$ 5 million and US\$ 1 million, respectively, in order to purchase all shares of the companies. As a result of the share purchase the share ratio of Yesil Enerji in the hydroelectric project on Cakit Water within Adana region will reach to 99.9%.

**OTHER NEWS**

- According to the dailies, the Savings Deposit Insurance Fund wishes to sell Sabah and ATV in the earliest possible timeframe; thus the Fund may declare the tender calendar shortly. The Chairman of the Fund stated that the sale shall be carried out through sale of economically integrated assets. Furthermore, he added that the legislation shall be obeyed strictly. The Competition Board has informed the Fund regarding the persons who cannot join the tender and such names shall be listed in the tender specifications. Moreover, the 25% threshold for the foreign investors in the shareholder structure of the companies regulated with the Law on Establishment and Publications of Radio and Televisions, will also be strictly applied. The Chairman of the Fund has predicted that the sale price of Sabah and ATV will be approximately US\$ 1 billion.
- The Communiqué on Establishment and Function of Insurance and Reinsurance Companies has been published in the Official Gazette on 24 August 2007 by the Undersecretariat of Treasury. The new Communiqué has been regulated under the Insurance Law, which has come into effect on 14 June 2007. The Communiqué fills the gap about the enforcement of the Insurance Law and brings additional criteria in order to establish an insurance or reinsurance company, to become a member of the board of directors or the audit board of such companies with a more detailed and strict method than the previous communiqué that has been revoked by the recently enacted Insurance Law.

*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, Ates & 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, Ates & Demirhan, a full-service law firm based in Istanbul.*

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