

TABOGLU, ATES & DEMIRHAN

Newsletter

BANKING SECTOR NEWS

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- Pursuant to the dailies, number of registered customers for the Internet banking services has increased to 18 million 66 thousand and 542 in the second quarter of 2007. The Banks Association of Turkey has declared that 17% of the registered customers have used Internet banking services at least once in the same period. Accordingly, corporate customers use the system more than individuals. The amount of financial transactions, which were performed on-line, has been determined as TRY 131,125,000.
- According to the dailies, the Chairman of Citibank Turkey has stated that foreign investors are speeding up plans to invest in Turkey due to the result of the general elections and there is a considerable growth in the economy. He has added that, despite insignificant problems, Turkey is definitely in the top-10 list for foreign executives searching for international investment opportunities.
- The Amending Regulation on Transactions subject to Permission and Indirect Share Ownership of Banks has been published in the Official Gazette on 24 July 2007. Accordingly, the foreign banks will be able to open representative offices in Turkey upon permission of the Banking Regulation and Supervision Agency, provided that the foreign bank has a sound financial structure, has the share capital in the amount of the minimum paid in capital requirement for Turkish banks, there are no limitations on its activities and that such foreign bank is active for a minimum period of 3 years. The permission granted by the Agency will be invalidated unless the bank informs the Agency of the opening of the representative office within 6 months following the permission. Furthermore, in case a bank established as a result of merger of two or more banks requests the permission for opening a representative office, it will be sufficient if only one of these banks has minimum 3 years of activity in banking sector.
- As per the dailies, Turkland Bank has received a US\$ 100 million syndicated loan with a maturity term of 364 days from 17 banks from nine countries. The Bank has announced that the loan will be used for the financing of foreign trade activities. Turkland Bank was formerly MNG Bank, whose name was changed in December 2006 after Arab Bank and BankMed purchased 91% of its shares.
- As per the dailies, Garanti Bank has been elected the best individual Internet bank of Europe by the finance magazine, Global Finance. Garanti Bank has become the first Turkish bank, which has won such title in the past 20 years.
- According to the dailies, Halkbank has signed an agreement in the amount of Euro 90 million with European Investment Bank to supply the Small and Medium Sized Enterprise demands for medium and long-term loan in Turkey, within the context of “European Investment Bank’s Global Development Loan for SME”. It has been announced by Halkbank that the investment project of SMEs which display activities in manufacturing industry, agricultural industry, tourism, education and health sector will be financed within the context of the program for supporting the SMEs’ investments in order to increase the production, productivity and employment.
- As per the dailies, Yapi Kredi Bank plans to take the ATMs, which can take foreign exchange and convert them into Turkish Liras instantly and pay out in cash or put in account, into service. The Bank has stated that they are planning to use the relevant ATMs within 6 months and to relieve the branches from such exchange transactions.

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Highlights

- a. Banking Sector News
- b. Energy Sector Updates
- c. Other News

ENERGY SECTOR UPDATES*cont'd.*

- Pursuant to the dailies, Turkey, Greece and Italy signed an agreement on 26 July 2007 regarding the construction of a pipeline. The agreement aims to transport natural gas from Central Asia region to Western Europe through Turkey and Greece. The Minister of Energy and Natural Resources of Turkey, Italian Economic Development Minister and the Greek Development Minister have sealed the respective agreement in Rome.
- The agreement, which was executed between Turkey and Iran regarding the collaboration in the energy sector, has been criticized by the ambassador of the USA. Accordingly, the ambassador emphasized that such collaboration may seriously harm the Caspian Basin (Hazar Havzasi) project, which was based on the development of natural gas resources and transportation of such sources to Turkey and international markets through pipelines. Moreover, it was stated that the increase of natural gas transportation from Iran might hinder the potential natural gas transportation from Azerbaijan, Kazakhstan and west Turkmenistan.
- Pursuant to the dailies, Boyner Holding announced that it has signed an agreement with Citigroup Venture Capital Investment, for the sale of 30.05% shares of Boyner Buyuk Magazacilik and 50% shares of Beymen, which is owned in part by both Boyner Holding and Altinyildiz. Boyner Holding has announced that the value of shares of Boyner Buyuk Magazacilik and Beymen are US\$ 153.8 million and US\$ 285.2 million, respectively. The shares will be transferred over a total amount of US\$ 439 million in total and Citigroup will pay US\$ 188.8 million to Boyner.
- As per the dailies, Turkish Industrialists and Businessmen Association ("TUSIAD") will open an Asia-Pasific office based in Beijing, China on 27 November 2007 and Mr. Iraz Turhan has been assigned as the Beijing office director and will start work on 1 September 2007. TUSIAD will open the office in collaboration with the European Union Chamber of Commerce in China ("EUCCC"). According to the agreement between the TUSIAD and the EUCCC, TUSIAD will join EUCCC and the Beijing office will operate in the EUCCC complex.
- The collective bargaining agreement has been signed by and between Turkiye Tutun Muskirat Gida ve Yardimci Iscileri Sendikasi and Kamu Isletmeleri Isverenleri Sendikası for Tekel A.S. In accordance with the collective bargaining agreement, average wage per hour has been increased 10.97% to TRY 6.65. The average wage per month has been declared between TRY 1,000 and TRY 1,010.

OTHER NEWS

- As per the dailies, Dogus Holding has received a US\$ 300 million loan from international markets. In respect of the loan provided by 16 banks from 10 different countries, the Chairman of Dogus Holding declared that the loan will be used to cover the company's general investment needs.
- According to the dailies, Mr. Nurettin Ozdebir has been appointed to replace Mr. Zafer Caglayan, as the new chairman of Ankara Chamber of Industry.

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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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