

# TABOGLU, ATES & DEMIRHAN

## Newsletter

### BANKING SECTOR NEWS

- According to the dailies, the Banking Regulation and Supervision Agency has rejected the sale of 50% Abank's shares to Alpha Bank, the second largest bank of Greece, at US\$ 435.5 million. The sale of Adabank to Kuwait based International Investor Company was also rejected by the Agency last week.
- Pursuant to the dailies, the Banking Regulation and Supervision Agency has granted its permission to Turkish Bank for support services concerning information technologies. As per the decision published in the Official Gazette on 7 August 2007, Turkish Bank is permitted to provide services such as webpage maintenance and management, web infrastructure, security infrastructure and software to its subsidiaries.
- As per the dailies, Akbank has given a mandate for a syndication loan in the amount of Euro 1 billion with one-year tenure. Currently, Akbank has the highest syndication loan in the amount of US\$ 1.2 billion.
- Garanti Bank Malta Branch has granted Yapi Kredi Koray a loan in the amount of US\$ 48 million. The loan proceeds shall be used to finance the Company's ongoing projects.
- Barclays has officially submitted a bid in the amount of Euro 65 billion to acquire ABN AMRO. As announced, Barclays is offering Euro 13.15 in cash plus 2.13 new Barclays shares in return for each ABN shares. As per the announcement published in Dutch newspapers, bidding process will continue from 7 August 2007 to 14 October 2007.
- Pursuant to the dailies, Isbank and Kredi Garanti Fonu have signed an agreement on 10 August 2007 aiming to support small and medium sized enterprises to benefit from existing credit sources of Isbank easily. A similar agreement will also be signed between Is Leasing and Kredi Garanti Fonu.

### PRIVATIZATION HEADLINES

- As per the dailies, the privatization of highways and bridges and TEKEL's cigarette division is on the agenda of the Government. Privatization of highways and bridges via transfer of operation rights is planned to be completed in the first half of 2008. On the other hand, the studies for the privatization of TEKEL's cigarette division, which will be realized via block sale method, have been completed and the tender is expected to be announced within 15 days of the Government's decision.
- Pursuant to the dailies, the Council of State has rejected the request concerning the suspension of execution of the Privatization High Council Decision approving sale of land located at Levent from Highways General Directorate to Zorlu Holding. In case of objection to such decision by the plaintiff, such dispute will be settled before the General Assembly of the Council of State. The tender concerning the sale was realized on 7 March 2007 and Zorlu Gayrimenkul was the winning bidder with a bid amounting to US\$ 800 million. The result of the tender was approved by the Privatization High Council on 12 March 2007.
- As per the dailies, although one month period has been passed since the tender, the Privatization Administration has not yet sent the file concerning the privatization of Petkim to the Competition Board. Due to general elections on 22 July 2007, the tender process has been slowed for a month. Consequently, the tender will most probably be completed by the end of this year at the earliest. TransCentralAsia Petrochemical Holding Joint Venture Group was the winning bidder of the tender which was realized on 5 July 2007 with a bid amounting to US\$ 2 billion 50 million for the 51% shares of Petkim.

#### Highlights

- a. Banking Sector News
- b. Privatization Headlines
- c. Capital Markets Highlights
- d. Other News

**CAPITAL MARKETS HIGHLIGHTS**

- Turkcell has announced its profit for the second quarter of the year 2007. The Chief Executive Officer of Turkcell has stated that the Company's profit has reached to US\$ 1.5 billion with an increase of 29% from the same period of last year while operational profit has reached to US\$ 596.9 million and net profit has increased 215% and reached to US\$ 274 million. The number of Turkcell subscribers has been reached to 33.8 million.
- As per the weekly bulletin of the Capital Markets Board, Koc Tuketici Finansmani has applied to the Board in order to issue financial bonds in the amount of TRY 65 million.
- As per the dailies, mandatory tender offer by TBIH Financial Services Group for the shares of Ray Sigorta was started on 6 August 2007 and will end on 20 August 2007. Following the initial tenders by the investors on 6 August 2007, the ratio of TBIH in Ray Sigorta has reached to 64.37%.
- As per the dailies, the Chairman of the Capital Markets Board has stated that although there is no problem in Turkey's mortgage market, developments in global financial markets should be monitored closely and lessons should be taken from these developments. He has further stated that those who benefit from Turkish mortgage system are not low income customers and no serious defaults have been observed by now concerning the payments as per the data of the Banking Regulation and Supervision Agency.
- According to the dailies, Global Yatirim has decided to increase its registered capital ceiling from TRY 250 million to TRY 1 billion. Following the required governmental approvals, it is stated that the general assembly will be called to approve the amendments.

**OTHER NEWS**

- As per the dailies, the ex-owner of Show TV, currently holding 18% in the channel, has raised an objection to the majority shareholder, who is seeking for a new partnership, reminding the sale agreement including his pre-emptive right. As per the agreement, the major shareholder is required to first offer shares to ex-owner before offering to third parties.
- Pursuant to the dailies, the President of the Savings Deposit Insurance Fund has stated that the sale of ATV and Sabah will be completed until the end of 2007. He has further noted that the agenda and sale method will be determined this week.
- Pursuant to the dailies, the Petroleum Works General Management has approved the application of Turkiye Petrolleri and granted a license to the Company allowing research of oil and natural gas in four regions close to Turkish Republic of Northern Cyprus.
- As per the dailies, the Minister of Energy and Natural Resources has stated that the petroleum transported through Baku-Tbilisi-Ceyhan pipeline has reached 1 million barrels. The Minister has further noted that Turkey and Iraq will work together on the project concerning the transportation of Iraq natural gas to Europe through Turkey.
- Pursuant to the dailies, the Chairman of Sabanci Holding has stated that there are many opportunities in global and local arena and they are planning to enter into these markets or increase their market shares therein. She has further added that they are focusing on energy, cement and finance sectors for future investments.

*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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