

TABOGLU, ATES & DEMIRHAN

Newsletter

NEWS RE BANKING SECTOR

- Finansbank has decided to execute a loan agreement amounting to US \$425 million to support its customers with the export financing. According to the statement of Finansbank to the Istanbul Stock Exchange, the agreement will be signed with a consortium of banks led by London Branch of Landesbank Baden – Württemberg and The Bank of New York.
- The Banking Regulation and Supervision Agency has granted further permits to TEB and Istanbul Branch of Societe Generale. The relevant decision of the Board has been published in the Official Gazette on 10 October 2007. Accordingly, data processing operation permit to TEB and insurance agency operation permit to Societe Generale have been granted by the Board.
- The Competition Board has approved the transfer of Turkish Bank shares from Ozyol Holding to National Bank of Kuwait. The share purchase agreement was signed in early August between the parties so as to perform transfer of Turkish Bank shares representing 40% of share capital in return for US \$160 million. The transfer is also subject to the approval of the Banking Regulation and Supervision Agency.
- Halkbank, Vakifbank, ABank, Garanti Bankasi, YKB and Bank Asya have announced their financial statements pertaining to third quarter of 2007. Accordingly, as of the end of September 2007, net profit of Halkbank has increased to TRY 814 million, net profit of Vakifbank has increased to TRY 809 million, net profit of ABank has increased to TRY 54.5 million and consolidated net profit of Garanti Bankasi has increased to TRY 2 billion 33.4 million. Yapi ve Kredi Bankasi has increased its net profit to TRY 632 million whereas Bank Asya has increased the same to TRY 140 million 512 thousand in the first nine months of the year 2007.

CAPITAL MARKETS NEWS

- The Capital Markets Board has granted its approval for the initial public offering of Tekfen Holding, through sale of shares representing 30% of share capital.
- Global Yatirim Holding has announced that the company has invested in Bilecik Demir Celik Sanayi ve Ticaret, a steel company to be established with a share capital of TRY 10 million, with 39.9% stakes. The steel plant to be established through this investment will have an initial capacity of 240,000 tons, and may later include a rolling mill for flat steel.
- According to the dailies, Petrol Ofisi, owned jointly by OMV and Dogan Holding, has increased its net profit to TRY 188.4 million in the first nine months of the year 2007 from TRY 85.9 million.

PRIVATIZATION HIGHLIGHTS

- The Privatization Administration awaits changes on electricity tariffs in order to continue with the deferred privatization proceedings of electricity distribution regions, namely Sakarya, Istanbul Anatolian Side and Baskent. It is expected that the tender process will continue with determination of the dates for collection of bids, upon revision of relevant information concerning the distribution regions. 37 companies including Enka, Dogan Group, Limak, Zorlu, German E.ON, Italian Enel, and Spanish Iberdola, had qualified for the tender prior to postponement.
- The Privatization Administration has launched the sale of tender specifications for the privatization of Tekel's tobacco business last week. Potential bidders in the tender include Dogan Group, JTI and BAT.

Highlights

a. News re Banking Sector

b. Capital Markets News

c. Privatization Highlights

d. Energy Sector News

e. Other News

ENERGY SECTOR NEWS*cont'd*

- As per the dailies, the Energy Market Regulatory Authority has approved the transfer of 29.6% of Entek Elektrik to Aygaz. According to the statement given to the Istanbul Stock Exchange by Aygaz, the purchase price, TRY 53.3 million, has been paid in cash. Upon the sale, Aygaz has increased its stake up to 55.42% in Entek Elektrik.
- As per the dailies, Gulf Oil International has acquired Petromin, the leading industrial and commercial oil producer of Saudi Arabia, in consideration of US \$200 million from Aramco and Exxon Mobil.
- The Ministry of Industry and Trade has announced that the number of the industrial zones in Turkey has reached to 249. Within the scope of the investment program of year 2007, works on 112 industrial zones are still continuing.
- Iktisat Yatirim Menkul Degerler has changed its trade name as "Orion Investment" as a result of the sale of 99.87% of the shares of Iktisat Yatirim Menkul Degerler to Orion Holding.
- As per the dailies, the study carried out by the Financial Crimes Investigation Board of the Ministry of Finance regarding the regulation on suspicious transactions shall diminish the bureaucratic difficulties that the foreign banks, which have clean record, may encounter while opening accounts with the Turkish banks. Besides, the financial institutions will expand their measures in order to secure the customer accounts in the internet banking. Due to the relevant legislation, the banks will profile the customer risks. The limit in respect of determination of identification is determined as TRY 2,000 for the electronic transfers and TRY 20,000 for other transactions.

OTHER NEWS

- Pursuant to the dailies, the Savings Deposit Insurance Fund has sold 3 factoring companies, each having an appraised value of TRY 50 thousand, in return for TRY 11.2 million through tender. Era Finans Faktoring has been purchased by MNG Faktoring in return for TRY 3 million and Global Special has purchased Ulus Faktoring in return for TRY 3.10 million and D Faktoring in return for TRY 5.10 million. The tender will be finalized upon the approval of the Savings Deposit Insurance Fund Board.
- The Competition Board has approved the sale of 40% shares of HAVAS owned by Park Yatirim Holding to TAV Airports. TAV is currently holding 60% of HAVAS shares and after the acquisition will be the sole owner of the company.
- IBM has stated that IBM will acquire Congos in consideration of US \$5 billion. Each share of Congos has been appraised as US \$58.
- As per the dailies, L'Oreal Group has signed a share transfer agreement regarding the acquisition of all shares of Canan Kozmetik which is the owner of "Ipek" trademark. The General Manager of L'Oreal Turkey has stated that the company already has 19 international trademarks including Lancome, Kerastese, Biotherm, Vichy, La Roche, Armani, Garnier and Maybelline and wishes to continue its investments in Turkey.

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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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