

TABOGLU, ATES & DEMIRHAN

Newsletter

NEWS RE BANKING SECTOR

cont'd.

The banks have announced their profits accrued within the first half of the year 2007. Accordingly,

- Denizbank's profit within the first half of this year is increased by 54% and reached to TRY 168 million. In addition to that the total loans granted within the same period are increased by 13% whereas the deposits are by 8%. Denizbank has also announced that its housing loans have been increased by 37%.
- Finansbank has also announced the profit amounting to TRY 359.2 million through an increase by 47.9% compared to the first half of 2006. The Bank has also increased its loans by 13.2% since January 2007. Finally, the total equity of the Bank has reached to TRY 2,450 million with the increase of 13.8%.
- Halkbank has announced TRY 535 million profit which corresponds to 82% increase in comparison with the first half of 2006, which was TRY 294 million. The Bank has increased the deposits to TRY 28.9 billion. The Chief Executive Officer of the Bank has stated that the profits mainly gained from the loans to Small and Medium-Scale Enterprises.
- Sekerbank has increased its profits by 903.7% and reached to TRY 62 million. The Bank has increased its paid up capital to TRY 400 million from TRY 125 million. The Chief Executive Officer of the Bank has stated that the profitability level of 903.7% has been reached by the considerable success gained in extending loans and the syndication loan participation amounting to US\$ 250 million.
- Kuveyt Turk has increased its profits by 94% in comparison with the first half of 2006 and reached to TRY 40.09 million. In addition to that the murabaha syndication loan led by Kuveyt Turk for FFK Fon Leasing, an Ulker Group company, has been concluded with US\$ 60 million. The loan will be extended to industry, manufacturing and food sectors.

- Vakifbank has announced its profitability figures and declared that its profit has reached to TRY 479 million. The Chief Executive Officer of the Bank has stated that the total extended loans have reached to TRY 18.9 billion by 17% increase in comparison to the first half of 2006. He has mentioned that the Bank shall continue to sustain its high performance in banking activities through granting loans to Small and Medium-Scale Enterprises and opening new branches.
- Bank Asya has reached to the profit level amounting to TRY 83 million whereas it was TRY 49 million in the first half of year 2006, which corresponds to 69% increase. In addition the Bank has announced the total equity amounting to TRY 715 million with a growth rate of 13%. The Bank has increased the number of its branches to 107 which employees 2,886 persons. The Bank has declared that the extended cash loans amount to TRY 4,412 million whereas non-cash credits amount to TRY 6,984 million.
- HSBC has initiated a new individual cash loan campaign according to which the monthly interest rate equal to 1.49% shall be applicable for the loans amounting to TRY 6,000 whereas this amount shall be 1.69% for TRY 20,000. The campaign shall last until 15 October 2007.
- The trade name of Global Hayat Sigorta is amended as Deniz Hayat Sigorta on 10 August 2007. Deniz Hayat Sigorta is a group company of Denizbank.
- Garanti Bank and "hepsiburada.com" have reached to an agreement for a new shopping form called "cellbank shopping". Accordingly, a cell phone number shall be sufficient for internet shopping activities and credit card number requirement will be lifted.

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Highlights

a. News Re Banking Sector

b. Privatization Highlights

c. Capital Markets Highlights

d. Energy Market Updates

e. Other News

PRIVATIZATION HIGHLIGHTS

- The privatization of the Vehicle Examination Stations has been completed upon their transfer to Akfen-Dogus-Tuvsud Consortium. The Consortium has paid the tender price in advance and benefited from 10% down payment and paid US\$ 552.1 million. The sale of the Vehicle Examination Stations was approved by the Privatization High Council on 14 February 2005.
- The Savings Deposits Insurance Fund has put on sale 95% of the shares of Toprak Sigorta for an initial price of TRY 7.2 million. The interested bidders are expected to submit their offers until 27 September 2007. The offers will be assessed on 28 September 2007 by the tender commission and the bidding will start on the same date at 15:00.
- It has been reported that there have been 16,000 applications to the Savings Deposits Insurance Fund with respect to the Treasury bonds sold by Imar Bank which have been announced as bounced upon the fall down of the Bank. Despite the warnings of the Fund, it has been declared that 22% of the applications has not been deemed as duly made due to absence of necessary documentation.

CAPITAL MARKETS HIGHLIGHTS

- The Capital Markets Board has approved the appointment of Merrill Lynch Yatirim Bank as the agency of Merrill Lynch Menkul Degerler.
- The Capital Markets Board has approved the increase of the registered capital ceiling of Enka Insaat and the Company will increase the ceiling to TRY 1.6 billion from TRY 800 million. The Company also plans to increase its share capital by TRY 370 million in 2007 and TRY 380 million by 2008 through adding internal recourses to its share capital.

ENERGY MARKET UPDATES

- The Energy Market Regulation Agency has announced that 19 companies have been granted production and distribution licenses and one production license is cancelled. In addition, one company has been extended the natural gas export license for a term of 5 years and one company has been granted natural gas distribution license for a term of 30 years. Finally, the Agency has extended bio-diesel production, lubricants and transmission licenses to 5 companies and three companies have obtained LPG storage licenses.

OTHER NEWS

- The Regulation on Actuaries has been published in the Official Gazette on 15 August 2007. The Regulation determines the principles and procedures with respect to the provision of professional services as actuaries in the insurance sector. The Regulation shall be effective on 1 January 2008.
- Cimpor, which has purchased Yibitas Lafarge for Euro 535 million, has decided to invest Euro 100 million to be used for the construction of a new production premise. The Chief Executive Officer of Cimpor has mentioned that the Company is willing to increase its Turkish market share through new purchases.
- The Chief Executive Officer of Atasay has declared that the Company is planning to engage in new investments in India after the previous investments in China carried out 2 years ago. He has added that Atasay is the third company with its production capacity in the world gold production sector.

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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