

# Banking on Turkey

Tuesday 21<sup>st</sup> October 2008  
One Great George Street  
London SW1

Having undergone massive transformation in recent years, Turkey is now one of the most sought-after Emerging Markets for international investors, with the total volume of mergers and acquisitions reaching \$22 billion in 2007.

Turkish companies continue to expand abroad at an unprecedented pace, seeking out new overseas partners and diverse financing methods to boost liquidity and growth strategies.

Hosted by FT Global Events, in association with The Banker, this must attend event will provide access to the key decision-makers who are responsible for shaping the region's finance, investment, banking and asset management strategies, and offer a unique insight into how the economy and financial markets are developing.

## KEY SPEAKERS



**Mehmet Simsek**

Minister of State  
for Economy



**Ulrich Zachau**  
Country Director  
Turkey

World Bank



**Huseyin Erkan,**  
Chairman & CEO

Istanbul Stock  
Exchange (ISE)



**Zafer Kurtul**  
CEO & Board  
member

Akbank

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## AGENDA

### 08.15 REGISTRATION AND REFRESHMENTS

### 09.00 WELCOMING REMARKS FROM THE CHAIRMAN

**Stephen Timewell**  
Editor-in-Chief,  
**The Banker**

## SESSION 1 ECONOMIC POLICY MOVING FORWARD

### 09.05 INTRODUCTION - SETTING THE SCENE

**Metin Mansur**  
Chairman,  
**Turkish-British Business Council (DEIK)**

### 09.10 TURKEY - LOOKING AHEAD: ECONOMIC DEVELOPMENTS, OPPORTUNITIES, AND CHALLENGES

**Ulrich Zachau**  
Country Director, Turkey,  
**World Bank**

### 09.40 TURKISH CAPITAL MARKETS - ISTANBUL AS REGIONAL HUB?

- Boosting domestic markets
- Innovations at the Istanbul Stock Exchange (ISE)
- IPOs – Regulatory developments for equity investors
- Foreign Investment in banking sector
- Outlook for 2009

**Huseyin Erkan**  
Chairman & CEO,  
**Istanbul Stock Exchange (ISE)**

### 10.10 BANKING IN TURKEY - SUSTAINING PROFITABILITY & STABLE FUTURE

**Zafer Kurtul**  
CEO & Board member,  
**Akbank**

### 10.40 REFRESHMENT BREAK

## SESSION 2 BANKING ON TURKEY - WHERE DOES THE FUTURE LIE?

### 11.15 INVESTMENT OPPORTUNITIES IN TURKEY

- Why Turkey?
- Recent Investment History: FDI and Equity Investments
- Looking Ahead: Where are we in the cycle?

**Ziya Akkurt**  
CEO & Vice Chairman,  
**Ak Investment**

### 11.45 INCREASING CORPORATE VALUE IN TURKEY - FUNDING THROUGH DEBT & EQUITY

- Assessing the corporate landscape – growth sectors for funding via debt & equity
- Sector Focus: Infrastructure
- Investing in Renewable Energy

**Halil Eroglu**  
President & CEO,  
**TSKB**

### 12.15 ASSESSING CAPITAL MARKET STRATEGIES & REFORM AGENDA

**Alparслан Budak**  
Assistant Secretary General,  
**Association of Capital Market Intermediary Institutions of Turkey**

### 12.45 LUNCH

## 13.50 INTRODUCTION TO SESSION 2

### Rona Yircali

Chairman of Executive Board  
**DEIK**

## 14.00 TURKEY'S POLITICAL & MACROECONOMIC LANDSCAPE – ADDRESSING THE RISKS

- Outlook 2009
- Regulatory update: Public Procurement Law
- Risk Management

### Mehmet Simsek

**Minister of State for Economy**

## 14.30 THE LAST FRONTIER - PRIVATISING STATE BANKS: ZIRAAT & HALKBANK

### Metin Kilci

President,  
**Privatisation Administration**

## 14.50 PANEL SESSION: BOOSTING GROWTH FOR SMALL AND MEDIUM ENTERPRISES (SMES)

- Outlook for SME sector in Turkey
- Appraising financing methods
- Getting SMEs to the ISE
- Foreign investment opportunities

#### PANEL CHAIR:

### Andreas Verykios

Deputy Director General for Lending operations in Europe,  
**European Investment Bank (EIB)**

#### PANELLISTS:

### Mehmet Gvendi

Partner,  
**McKinsey & Company**

### Selma Tezyetis

Foreign Relations Director, SME Research Department,  
**KOSGEB**

### Devrim Ziya Tavil

Director, SME Banking,  
**Turkish Economy Bank (TEB)**

### Mete Yegin

Senior Partner, Head of Finance,  
**Pekin & Pekin**

## 15.40 REFRESHMENT BREAK

## 16.00 PANEL SESSION: FEELING THE SQUEEZE? MANAGING RISK IN TURKEY

- Macroeconomic Outlook – Turkey & the Global Context
- IMF Anchor – Where next?
- M&A Review and Future Prospects
- Improving Risk Management – Banking & Corporate Landscape
- Addressing the Challenges: Liquidity and Finding Funding

#### PANEL CHAIR:

### Stephen Timewell

Editor-in-Chief,  
**The Banker**

#### PANELLISTS:

### Efsane Cam

Manager, Mergers and Acquisitions,  
**Is Investment**

### George Chrysaphinis

Vice President, Senior Analyst,  
**Moody's**

### Sebnem Muratoglu

Senior Vice President, Risk Management,  
**Akbank**

### Murat Talayhan

Managing Director, Investment Banking Division,  
**Barclays Capital**

## 16.45 CONCLUDING REMARKS FROM THE CHAIRMAN FOLLOWED BY RECEPTION

## SPEAKERS

### **ZIYA AKKURT, CEO AND VICE CHAIRMAN, AK INVESTMENT**



Mr. Ziya Akkurt is the CEO and Vice Chairmen of Ak Investment, Turkey's best capitalised investment bank. He started his banking career in 1983 at Interbank, and then moved on to posts at Dresdner Bank and Bank Paribas before becoming Executive Vice President of Corporate Banking at Akbank, Turkey's largest private bank. During his 12 years at Akbank Mr. Akkurt created their project financing and corporate banking division. He was responsible for their corporate banking, commercial banking and credit approval divisions. He is a graduate of Ankara's Middle East Technical University.

### **ALPARSLAN BUDAK, ASSISTANT SECRETARY GENERAL, ASSOCIATION OF CAPITAL MARKET INTERMEDIARY INSTITUTIONS OF TURKEY**



Between 1993 and 2001, Mr. Budak held various positions at the Research, Asset Management, International Business Development and Corporate Finance departments at Demir Investment, a prominent investment bank in Turkey. He joined the Association in 2001 and is currently the Assistant Secretary General, as well as director in charge of the Research & Statistics and Information Technology departments.

### **EFSANE CAM, MANAGER, MERGERS AND ACQUISITIONS, IS INVESTMENT**



Efsane Cam has a B.A. degree in Business Administration from Marmara University in 1991 and an MBA degree from Bilgi University. She began her career at the Capital Markets Department corporate finance team in Isbank in 1991. In 1997 she later joined the IS Investment corporate finance team and led various IPO and privatization projects. She is currently the Manager in charge of private sector advisory projects, private sector fixed income security issues, privatization buy side advisory projects, venture capital advisory and M&A advisory projects. She was the project Manager for 11 privatization projects and engaged in various IPO projects such as BIM Retail Chain, Coca Cola Bottlers of Turkey, 15 fixed income securities projects and over 30 M&A projects during her career at IS Investment and Isbank.

### **GEORGE CHRYSAPHINIS, VICE PRESIDENT, SENIOR ANALYST, MOODYS**



Mr. Chrysaphinis is with the Financial Institutions Group of Moody's Investors Service and is based in Limassol, Cyprus. He rejoined Moody's in 2004, having left to pursue an MBA in 2001, and has been with the company for eight years. In his current portfolio covers Slovenian, Turkish and Bahraini banks. In the past he has also covered banks in Bulgaria, Tunisia, India and Pakistan.

### **HÜSEYİN ERKAN, CHAIRMAN & CEO, ISTANBUL STOCK EXCHANGE (ISE)**



Prior to his recent appointment as the Chairman and Chief Executive Officer of the Istanbul Stock Exchange by the Turkish Government, Mr. Erkan was the Chief Advisor to the Board of Konya Sugar on restructuring the group's activities. Mr. Erkan was appointed to Executive Vice Chairman at the Istanbul Stock Exchange in 1995, where he served until 2006, responsible for the International Market, International Relations and Human Resources, and was also a Board Member of Takasbank (Central Securities Depository, Settlement and Clearing Bank of ISE). Mr. Erkan joined the ISE in 1994, establishing the International Relations, Research and International Market departments as well as the Federation of Euro-Asian Stock Exchanges (FEAS) which currently has 31 stock exchanges as members.

### **HALİL EROĞLU, PRESIDENT & CEO, TSKB**



Following the merger of TSKB (Industrial Development Bank of Turkey - Türkiye Sınai Kalkınma Bankası) with SYB in March 2002 Mr. Halil Eroglu has been the CEO and General Manager of TSKB. Mr. Eroglu has also served as Auditor of the Board of the Banks Association of Turkey since June 2003 and a member of TUSIAD (Turkish Industrialists and Businessmen's Association) since May 2002. Following his graduation from Ankara University, Mr. Halil Eroglu started his banking career at Is Bank in 1976, working as an inspector for 10 years, followed by various roles in Is Bank. From 1996-1998, he was CEO and General Manager at Disbank and between 1998-2001, CEO and General Manager of Is Leasing Company, then becoming General Manager and CEO of SYB (Industrial Investment Bank - Sınai Yatırım Bankası).

### **MEHMET GÜVENDİ, PARTNER, MCKINSEY & COMPANY, ISTANBUL**



Specialising in retail banking and telecommunications sector since 1999, his active client platform spans Turkey, Middle East, Western and Eastern Europe. His retail banking sector experience focuses on marketing-sales and regulatory issues. He has developed the officially endorsed Turkish credit and debit card interchange rate calculation methodology. He has internal and external publications including a number of articles in GTR by World Economic Forum. Mehmet Guvendi holds a B.S. degree in Industrial Engineering from Bilkent University in Ankara, Turkey. Before joining McKinsey, he worked at Procter & Gamble Company in Turkey, Western Europe and North America. In addition to his professional pursuits, he also chairs the Advisory Council of Bilkent University Engineering School.

### **METİN KILCI, PRESIDENT, PRIVATISATION ADMINISTRATION**



Metin Kilci, born in 1963, has completed his degree in Business Administration in 1986 at the Faculty of Economy and Administrative Sciences of Kayseri Erciyes University. In 1997, he has got his MA degree at the Faculty of Economy of Delaware University in the USA. Mr. Kilci has commenced his professional career as a responsible accounting officer in the Foreign Exchange Department of the Turkish Central Bank between 1987-1989. Subsequently he continued his professional life in the State Planning Organization as a planning expert until his appointment to Tehran, Iran as a Director responsible from Agriculture, Industry and Health in Economic Cooperation Organization. In 2003 he has been appointed as the President of the Turkish Privatization Administration. In addition, Mr. Kilci has also taken part in Turkish State Monopolies (manufacturing of alcoholic beverages and tobacco) as the Chairman of the Board of Directors and the Chairman of the Value Assessment and Tender Committees in Turk Telekom. Currently he is the Chairman of the Board of Directors of Turkish Airlines Technic. Inc. Mr. Kilci has written the book of "Privatization Implementations in Turkey" and several articles on privatization and related issues.

### **ZAFER KURTUL, CEO & BOARD MEMBER, AKBANK**



Zafer Kurtul joined Akbank in 1998 as an Executive Vice President and in November 2000 was appointed the CEO. Previously he worked at Citibank, BNP-Ak-Dresdner Bank and Société Générale. Mr. Kurtul has an undergraduate degree from Istanbul University Faculty of Business Administration and an MBA in Finance from the University of Wisconsin - Madison. Mr. Kurtul is a Chartered Financial Analyst (CFA). He is a member of Institut International D'etudes Bancaires.

### **METİN MANSUR, CHAIRMAN, DEİK / TURKISH-BRITISH BUSINESS COUNCIL**



Metin Mansur is the Chairman of the Turkish - British Business Council operating under the aegis of DEİK - Foreign Economic Relations Board of Turkey, a non-profit NGO. Metin Mansur is also Managing Director of Ege Chemicals Inc. manufacturing industrial chemicals for a variety of sectors and also founded and managed Egemen Inc. and Ege Agriculture Inc. within Ege Holding. Prior to joining Ege Holding he worked at Wycombe Marsh Paper Mills in the UK for 13 years.

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## SPEAKERS

### SEBNEM MURATOGLU, SENIOR VICE PRESIDENT, RISK MANAGEMENT, AKBANK



Muratoglu is the Head of Risk Management responsible for market risk, credit risk, operational risk, asset-liability management and Basel II implementation in Akbank since 2002. Prior to this assignment, she has worked as head of fixed income and currency trading. Her undergraduate degree is in Economics from the University of Kent (Canterbury, UK) and she has done Master of Applied Finance at the Macquarie University (Sydney, Australia). She is a member of the Global Association of Risk Professionals (GARP) and Financial Risk Manager (FRM) certificate holder. She is Vice-Chairman for Risk Managers Association of Turkey and has several active posts in task forces of The Banks Association of Turkey.

### MEHMET SIMSEK, MINISTER OF STATE FOR ECONOMY, TURKEY



Mr. Simsek began his career as senior economist for the US Embassy in Ankara before joining UBS in New York in 1997, followed by posts at other banks including Deutsche-Bender Securities in Istanbul and Merrill Lynch in UK. At Merrill Lynch, Mr. Simsek was responsible for emerging markets before being appointed Head of Economic and Strategic Research Department for EMEA in 2001. Mr. Simsek then became an M.P. for the AKP and in 2007, was elected to Parliament and appointed as the State Minister in charge of the Undersecretariat of Treasury.

### DEVIRM ZIYA TAVIL, DIRECTOR, SME BANKING, TURKISH ECONOMY BANK (TEB)



Devrim Ziya Tavil is the director of SME Banking at the Turkish Economy Bank, a BNP Joint Venture. He joined the bank in 2005 as Commercial Banking SME Division Manager in 2005, following a career at Pamukbank, which he joined as Auditor in 1996. He was then promoted to Deputy Head of Audit in 2001 and to Retail Banking Department as Vice President in 2004. He can speak French and English fluently.

### MURAT TALAYHAN, MANAGING DIRECTOR, INVESTMENT BANKING DIVISION, BARCLAYS CAPITAL



Murat Talayhan is a Managing Director at the Investment Banking Division of Barclays Capital in London covering Central & Eastern Europe including Turkey and Greece. Mr. Talayhan joined Barclays Capital in 2006 from Standard Bank, where he was Managing Director and Head of the Istanbul office covering Turkey, Caucasus and Central Asia. Previously, Mr. Talayhan was with JPMorgan Chase in London on the Global Commodities desk covering Europe, the Middle East and Africa. Prior to his assignment in London, Mr. Talayhan was with The Chase Manhattan Bank in Moscow as Head of Investment Banking coverage in the Russian Federation.

### SELMA TEZYESIS, FOREIGN RELATIONS DIRECTOR, SME RESEARCH DEPARTMENT, KOSGEB



After graduating from the Middle East Technical University in Ankara from the Chemical Engineering Department, Ms. Tezyetis began her career at Çağ Chemistry as Manager & Quality Control Engineer. After gaining the necessary business skills and training, she continued her career at the Ministry of Industry and Trade / Small and Medium Industry Development Organisation (KOSGEB) in 1991. Today she holds the post of Foreign Relations Director at the SME Research Department.

### STEPHEN TIMEWELL, EDITOR-IN-CHIEF, THE BANKER



Stephen Timewell has been Editor-in-Chief of The Banker, the international monthly banking magazine of the Financial Times group, since 1992. He has written on all corners of the globe and covered a wide variety of industry issues from investment banking to retail banking and technology. Prior to becoming Editor-in-Chief, he had been Assistant Editor since 1990 and before that Editor of Arab Banker from 1988-90. In the 1980s he worked as a political economist for First Chicago and as finance writer on Middle East Economic Digest (MEED).

### ANDREAS VERYKIOS, HEAD OF THE SOUTH EAST EUROPE DEPARTMENT AND DEPUTY DIRECTOR GENERAL FOR LENDING OPERATIONS IN EUROPE



Andreas Verykios joined the Bank in 1981, after having worked for 10 years in a merchant shipping company in London then at Citibank in Athens. He started in the Bank as a loan officer and subsequently appointed Head of division, holding several positions successively over 15 years: Benelux Lending division, UK, Ireland and Portugal Loans Monitoring Division and UK Lending division. Then he moved to Brussels as Director of the EIB Representation office before returning to Luxembourg as Director of the Human Resources Department in the year 2000. He was appointed Deputy Director General of Ops A and Head of the Baltic Sea Department on 1st July 2005. Since 1st July 2007 he is Head of the South East Europe Department.

### METE YEGIN, SENIOR PARTNER, HEAD OF FINANCE, PEKIN & PEKIN

Mete started his career at Pekin & Pekin in 1994, left in 1997 to join the London office of Milbank, Tweed, Hadley & McCloy as part of the Global Project Finance Group, returned to Istanbul in 2000 as legal counsel to Garanti Bank focusing on banking and project finance, and later rejoined Pekin & Pekin in 2001 as a partner. Mete now leads the Finance team, representing financiers and investors in major transactions, where he utilises his combined knowledge of international markets and characteristics of the local jurisdiction. Mete also lectures part-time at Sabanci University on International Business Law.

### RONA YIRCALI, CHAIRMAN OF EXECUTIVE BOARD, DEIK



Rona Yircali was born in Istanbul in 1944. After graduating from American Robert College of Istanbul, he received his Business Administration degree from University of Miami, FL, U.S.A. Mr Yircali is the chairman of the Yircali Group of companies specializing in energy (transformers, hydro and wind power), animal feed, textiles, synthetic fibers and bags, tourism, finance, and mining. Mr Yircali also holds many board titles, including Chairman of the World Chamber of Commerce, Chairman of the Executive Committee for the Foreign Economic Relations Board (DEIK) and Chairman of the Board of Directors to the Balikesir Chamber of Industry and the Turkish Education Foundation.

### ULRICH ZACHAU, COUNTRY DIRECTOR FOR TURKEY, WORLD BANK



Mr. Ulrich Zachau is the Country Director for Turkey of the World Bank. He holds degrees in mathematics and economics from the University of Munich and a D.Phil. in economics from Oxford University, where he was a Rhodes Scholar. He worked for McKinsey&Co and taught economics at the University of Bonn. Since joining the World Bank in 1988, he has held various staff and management positions, working in Operations in Asia, Europe, and Latin America and the Caribbean as well as in Finance, Policy, and Research. He served as the World Bank's Director of Strategy and Operations for Latin America and the Caribbean from 2003 until January 2007, when he moved into his current position.

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The Foreign Economic Relations Board of Turkey (DEİK) is a non-profit private sector organisation. DEİK aims to improve Turkey's external economic relations through Business Councils. The Turkish-British Business Council (TBBC) is one of the 76 bilateral Business Councils established for conducting international economic relations more effectively. The primary objectives of Business Councils are:

- To encourage business development, to improve the conditions for bilateral trade, investments and industrial cooperation, and to identify multilateral cooperation opportunities.
- To provide a forum for deliberations on new avenues and forms of economic cooperation, and on policy recommendations for strengthening Turkey's relations.
- To collect, analyse and disseminate information on economic issues. DEİK collaborates with private sector institutions, governmental bodies, international and regional institutions, and universities both in Turkey and abroad.

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Ak Investment is a Turkish investment brokerage company established in 1996 and a wholly owned subsidiary of Akbank, Turkey's largest and most respected private bank with USD 65 bn in assets. Ak Investment is one of the best capitalized brokers with USD 60 mn in shareholders' equity. Using Akbank's wide distribution network, Ak Investment serves more than 200,000 retail, corporate customers, and international institutional investors and is among the top five brokers with 5% of equity trading volume. In addition to equity trading and corporate finance, Ak Investment is also licensed for short selling, securities borrowing and lending, and fixed income trading. Ak Investment also intermediates in the fast growing Turkish Derivatives Exchange (VOB) and has seen a 400% increase in volume in the past year alone. International Institutional Sales and Trading has a customer portfolio consisting of 130 investors who manage funds totaling approximately \$2,000bn. They are backed by a large Research Department who produce daily, monthly, strategy, macro, sector, and company reports. Research Model Portfolio has outperformed the ISE-100 index since 2003. Corporate Finance is involved in IPO's, M&A's, and was recently advisor in the privatization of Petkim and in several large residential and commercial real estate projects, including a \$400mn land sale to Emaar.

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Established in 1950, TSKB is the largest private investment and development bank in Turkey, providing long-term financing to private sector companies and contributing to the development of Turkish capital markets. Having access to long-term funds from supranationals such as IBRD, EIB, AFD, CEB, KfW, IFC, TSKB has financed the investment projects of more than 4,500 private sector companies. As one of the forefront investment banks in Turkey, TSKB offers a wide range of investment banking services with a track record of transactions ranging from M&A and privatization deals, public offerings to equity and debt issuance, secondary market services all of which are complemented with strategic advisory services including but not limited to equity research, financial restructuring, valuation and so on.

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### OFFICIAL AIRLINE



Turkish Airlines (THY) has been the national flag carrier since its foundation in 1933. Established by Mustafa Kemal Atatürk, the founder of the modern Turkish Republic, Turkish Airlines began with a small fleet of 5 aircraft, growing to today's 103 aircraft. Today Turkish Airlines is ranked 25th in the world in terms of fleet size. Turkish Airlines, the rising star of the world's aviation sector, carried 17 million passenger in 2006 to 137 direct flight destinations, including 106 international and 31 domestic routes. Turkish Airlines has increased its global aviation market share from 0.59% to 1.1% in 2006, progressing to become a global brand. Most recently, a partnership agreement has been signed by the Star Alliance Group and Turkish Airlines.

[www.thy.com](http://www.thy.com)

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The Turkish British Chamber of Commerce and Industry, TBCCI, was founded in 1980 as a non-profit making organisation to provide its members with a wide range of services targeted at promoting bilateral trade, investment and joint ventures between the UK and Turkey.

[www.tbcci.org](http://www.tbcci.org)