

BNP Paribas joins rush to buy into Turkish banks prior to EU talks

BNP PARIBAS has acquired 50% of TEB Financial Investments AS from Turkey's Colakoglu Group for \$216.8m. The sales agreement, signed in Istanbul on February 11, means that the French bank now has control of a 42.2% stake in Türk Ekonomi Bankası (TEB), a midsize Turkish bank. The development came as European banks stepped up a campaign to buy shares in Turkish banks, ahead of the start of Turkey's membership talks with the EU in October.

Speaking at the signing ceremony, Jacques de Larosière, an adviser to the board of BNP Paribas and former director of the International Monetary Fund, lauded Türk Ekonomi Bankası as one of the country's best managed companies. The bank had 84 branches and assets of €1.6bn at the end of 2003.

"For us, a bank's size isn't important. What is important is the quality of its management. We noticed that TEB was a very resourceful bank. The characteristics of its management style were just the qualities that we were seeking," Mr de Larosière said.

The acquisition also gave BNP Paribas a 50% stake in TEB's insurance, factoring, brokerage services, and leasing companies.

In a related development, Koc Financial Services Company, a joint venture between the Koc Group and Italy's Unicredito, continued negotiations with Turkey's financially ailing Cukurova Holding to acquire a 57% stake in Yapı ve Kredi Bankası, Turkey's fourth biggest bank. The bank has a market value of \$2.5bn.

Kemal Kaya, chairman of Koc Financial Services, told *The Banker* that a deal would be



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concluded by May. He also said Cukurova Holding would have the option to buy back a 12.8% stake in Turkcell, the country's biggest GSM phone network operator, and the bank's shares in digital television network Digiturk and

Superonline, the country's number one internet service operator.

Holland's Rabobank also moved forward in its bid to acquire a 50% stake in Sekerbank, a midsize, Ankara-based bank, with 180 branches, 2849 employees and assets valued at \$1.8bn.

Hasan Basri Goktan, general manager of Sekerbank, said a deal with Rabobank would also be concluded by May.

Three foreign banks, led by France's Société Générale, were reportedly seeking to acquire Dis Ticaret Bankasi (Disbank) from the Dogan Group, a large conglomerate.

"I expect that foreign ownership in the Turkish banking sector will increase to 25% of the total by 2007," Mr Kaya of Koc Financial Services, said. Foreign companies control only 7% of the assets of Turkish banks.