

TABOGLU & DEMIRHAN

Newsletter

BANKING SECTOR NEWS

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- According to the statement made by Yapi Kredi Bank, the net profit of 2010 is recorded as TL 2.2 billion. The Bank has increased its total credits by 40%, deposit accounts by 27% and capital adequacy ratio by 16%. The Chief Executive Officer of the Bank has stated that the Bank has 868 branches, the fourth largest branch network and plans to open 60 new branches in 2011.
- As per the announcement made by Is Bankasi in the Public Disclosure Platform, the Bank has executed an agreement with Japan Bank for International Cooperation in the amount of US\$ 269 million for the financing of long and medium term ship importations of Turkish importers from Japan exporters.
- As per the dailies, Isbank has opened a branch in Iraq, Erbil. With the new branch, the number of Isbank branches in abroad has reached to 16. It has been further stated that the Bank will provide services both to corporate and retail customers.
- Pursuant to the announcement made by the General Directorate of Albaraka, the Bank will most likely become a partner of a Balkan Bank. Additionally, the negotiations to open a branch in Iraq, Erbil will be finalized soon. Albaraka expects to become the first participation bank in Iraq, Erbil.

- As per the dailies, the market value of the publicly held real estate investment companies (REIT) has increased by 266% in the year 2010. US\$ 4.5 million of the increase has derived from the public offerings of such companies especially from the Emlak REIT which is the largest REIT of Turkey.

COMPETITION NEWS

- Pursuant to the dailies, a hearing for the investigations regarding 8 banks by the Competition Board has been held on 1 March 2011. The investigation was based on a claim that the banks have signed a gentlemen's agreement regarding the salary promotions. As per the disclosure made by Halk Bank in the Public Disclosure Platform, the Bank has no relation with such agreements and the purchase of Pamukbank in 2004 is the only reason of their involvement in the process.
- The establishment of a joint venture company between POSCO and Kibar Holding to operate in the field of stainless steel production, has obtained clearance from the Competition Board as it would not create or strengthen a dominant position as described under the Communiqué regarding the Mergers and Acquisitions.

CAPITAL MARKETS UPDATES

- Dogus Holding has mandated several banks for the public offering of its shares. Pursuant to the dailies, the public offering is expected to be realized in September and October and the offer price will be based on June financials.
- Global Menkul and IEG Corporate Finance, a German consultancy firm, have executed a heads of agreement to form a company in order to provide consultancy services to especially small and medium sized enterprises in mergers and acquisitions, debt financing and privatization transactions.

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ENERGY NEWS

- Eren Holding has decided to increase its activities in the energy sector by participating in the electricity generation tenders. The Holding desires to make an investment in the amount of US\$ 450 million.
- China Electric Equipment Group is planning to enter into the Turkish market to become the leading solar panel producer. The Company also aims to convert the Turkish stadiums into eco stadiums by cooperating with a Turkish partner by the end of 2013.

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Highlights

a. Banking Sector News

b. Capital Markets Updates

c. Competition News

d. Energy News

e. Other News

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- As per the announcement made by the Minister of Energy and Natural Resources, 34 fields have been tendered as of today. The Minister has also stated that the transfer of geothermal areas shall give rise to an investment in the amount of US\$ 1 billion and employment for approximately 10 thousand people.
- Pursuant to the announcement of Enerjisa, the Company has acquired the shares of IBA Elektrik, which was holding the production license of Incir Hydroelectric plant, with the approval of the Energy Market Regulatory Authority. Enerjisa will put the plant into operation in 2015 which will produce 370 GWh energy.
- As per the dailies, the production license granted by the Energy Market Regulatory Authority regarding the Artvin Demiroren hydroelectric plant project has been decertified by the Ankara 8th Administrative Court on the grounds that it will affect the natural life and tourism sector in the region.

OTHER NEWS

- Kipas Holding has purchased the production and the retailing rights of Lee Cooper to operate in Russia, Iraq, the CIS countries as well as in Turkey. The Holding expects to open its first store in June and aims to reach to 40 stores within the next season. The investment to be made for the marketing and merchandising will be around US\$ 20 million.
- Pursuant to the 2010's pro-forma financial data of Bosch, the Company has increased its sales all over the world and reached to Euro 47.3 billion. It has been further stated that it is recorded as the Company's highest sale number within 125 years.

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- Allianz, an insurance company, has stated that their profit for the year 2010 has increased significantly. The profit of the Company is recorded as TL 5.2 billion.
- Bayraktar Group has cooperated with the Intercontinental Hotels Group for the VIA Hotel. It has been further stated that a license agreement to use "Crowne Plaza Istanbul Asia" trademark has been executed between the parties.
- Pursuant to the dailies, Motorola Solutions is considering to make an investment in Turkey. The Company has declared that the first international press conference regarding the separation from Motorola Mobility will be held in Istanbul, since Turkey is a country with full of opportunities.
- Istanbul Sapphire, which is constructed by Kiler Real Estate Investment Company with an investment amounting to US\$ 250 million, is opened on 4 March 2011. The Company has stated that they are expecting approximately US\$ 500 million revenue from this project.
- As per the announcement of Mango Gida in the Public Disclosure Platform, the Company will open a branch in England. The branch will be allocated with a separate share capital and the activities of the branch will be financed with such capital.
- As per the announcement made by Casper, the Company has renewed its trademark. It has been further stated that the Company has invested US\$ 3 million in the trademark and will also make improvements in its products.

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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 & 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 & Demirhan, a full-service law firm based in Istanbul.