

# TABOGLU & DEMIRHAN

## Newsletter

### **BANKING SECTOR NEWS**

- As per the dailies, the total amount of the funds collected by Turkish participation banks in 2008 has increased by 29% to TRY 19.2 billion in comparison to the previous year. According to the statement of the Association of Participation Banks of Turkey, 58% of the collected funds consist of TRY funds whereas the remaining part thereof consists of foreign currency funds. It has been further stated that an increase of 39% has occurred with respect to the TRY funds and the amount of the foreign currency funds has improved by 17%. As per the statement, the value of total active assets and net worth of the participation banks has reached to an amount of TRY 25.8 billion and TRY 3.7 billion, respectively. The net profit of the participation banks has grown by 23% in comparison to the previous year.
- Pursuant to the statement made by Fortis Turkey, the Government of Belgium has decided to transfer its 75% stake in Fortis Belgium, the majority shareholder of Fortis Turkey holding 94.1% stake thereof, to BNP Parisbas. The Belgium Government will continue to own the remaining 25% in Fortis Belgium. Following the disclosure of the abovementioned statement, the value of Fortis Turkey's shares, which are traded in the Istanbul Stock Exchange, has increased by 12.5%. In addition, according to the statement made by Fortis Turkey, the consolidated net profit of the Bank for the year 2008 amounts to TRY 186 million. Furthermore, total amount of the loans granted by the Bank to its clients has reached to TRY 8.4 billion with an increase of 31% and asset size of Fortis Turkey has increased by 20% to an amount of TRY 13 billion in 2008. Accordingly, total activity proceeds of Fortis Turkey has reached TRY 1 billion through an increase of 20%.

### **CAPITAL MARKETS NEWS**

- As per the dailies, Migros has applied to the Competition Authority to obtain permission for the transaction regarding the purchase and lease of 8 markets of Mak Gida Pazarlama, a local company located in Gaziantep and active in retail sector.
- Koc Holding will participate in the capital increase of Arcelik, one of its subsidiaries active in the durable consumer goods sector, with an amount of TRY 97.84 million through exercising its preemptive rights. On the other hand, Fitch Ratings, an international loans rating institution, has confirmed that Arcelik's rating for the long term foreign currency loans is BB. Additionally, Fitch Ratings has announced that the ratings of Arcelik are negative.

### **ENERGY SECTOR HIGHLIGHTS**

- According to the statement made by the Saving Deposit Insurance Fund, the transfer of 50% shares of Bis Enerji Elektrik to the Fund by Caglar Group, the majority shareholder of Interbank, has been agreed by the parties during the negotiation process with respect to the receivables of the Fund from Caglar Group. As per the said statement, in return for the transfer of the aforementioned shares, the Fund will withdraw certain lawsuits filed against Caglar Group and the proceeds of such sale shall be deducted from Caglar Group's debt to the Fund. Caglar Group will be authorized for a limited period to sell such shares, and if Caglar Group will not be able to realize such sale in due time, following the termination of such period the Fund will be entitled to sell these shares to third parties.

#### *Highlights*

- a. Banking Sector News*
- b. Capital Markets News*
- c. Energy Sector Highlights*
- d. Telecommunication Sector News*
- e. Other News*

## TELECOMMUNICATIONS SECTOR NEWS

- Pursuant to the statement made by Turkcell to the Istanbul Stock Exchange, Turkcell has submitted a bid through its indirectly wholly-owned subsidiary Beltur B.V. for purchasing 100% shares of Cosmofon Mobile Telecommunications Services Ad Skopje and Germanos Telekom Ad Skopje. The bid has been submitted to OTE, a Greek company holding the shares of Cosmofon and Germanos, and the bid will be binding until 29 June 2009.
- As per the statement made by Turk Telekom to the Istanbul Stock Exchange, in furtherance of its announcement dated 17 December 2008 indicating that the Company had submitted a non-binding offer for the tender of Cosmofon, a GSM operator located in Macedonia, Turk Telekom has submitted its binding bid for such tender.
- According to the statement made by Avea, Avea has filed a lawsuit against Turkcell by claiming that Turkcell has not fulfilled its liabilities with respect to the interconnectivity obligations arising from the law. Avea also claims that Turkcell has been making statements which are damaging Avea's corporate image.

## OTHER NEWS

- As per the statement made by the Privatization High Council, 27 bids have been submitted by investors in order to attend tenders for the sale of 5 immovable and product inventory owned by Tutun, Tutun Mamulleri Tuz ve Alkol Isletmeleri as of 6 March 2009.

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- The board of directors of Vakif Finansal Kiralama has decided to merge with Vakif Deniz Finansal Kiralama. According to the statement made to the Istanbul Stock Exchange, the merger transaction will be based on the balance sheet dated 31 March 2009. The transaction will be presented to the general assemblies of both companies for approval, which will be held on 26 March 2009.
- As per the dailies, the conditional approval decision of the Competition Board with respect to the application made by Dogan Gazetecilik for obtaining the Board's permission for the acquisition of Vatan Gazetesi has been overruled by the Council of State. The Board had approved the above-mentioned transaction on the condition that the shares to be acquired should be disposed within 2 years, due to the fact that the acquisition will strengthen the dominant position of Dogan Gazetecilik. The 13<sup>th</sup> Chamber of the Council of State has overruled the decision of the Board by indicating that the decision is not based on any legal grounds.
- Pursuant to the announcement made by the Turkish Statistical Institute, the index of industrial production has decreased by 21.3% in January 2009 in comparison to January 2008.
- Celebi Airport Services has announced that the Company has submitted bids for two tenders held by Delhi International Airport Private. The tenders relate to renovation, modernization and financing of existing cargo terminal of Delhi Indra Gandhi International Airport and construction, financing and operation of a new cargo terminal therein.

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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.*

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