BORSA İSTANBUL A.Ş.

Convenience Translation into English of Financial Statements as at 31 December 2014 Together with Independent Auditor's Report

(Originally Issued in Turkish)

BORSA
İSTANBUL

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

To the Board of Directors of Borsa İstanbul A.Ş.

We have audited the accompanying consolidated financial statements of Borsa İstanbul A.Ş. and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of comprehensive income, changes in shareholders' equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Borsa İstanbul A.Ş. and its subsidiaries as at 31 December 2014, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Engin Çubukçu, SMMM
Partner

Istanbul, 27 February 2015

Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. a member of PricewaterhouseCoopers
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CONTENTS

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

	Notes	Audited 31 December 2014	Audited 31 December 2013
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	5.317.610	5,316,480
Financial investments	6		1,609
Trade receivables	7	207.806	312,208
Other current assets	8	6.693	4,681
Total current assets		**5.532.109**	**5,634,978**
NON-CURRENT ASSETS			
Other receivables	7	19	20
Investments accounted for by equity method	5	1.577	1,555
Financial investments			
- Marketable securities	*6*	*5.278*	*4,339*
- Marketable securities to be held to maturity	*6*	*169.256*	*313,270*
Investment properties	9	12.500	10,500
Tangible assets	10	105.550	43,722
Intangible assets	11	233.124	216,385
Deferred tax assets	22	21.853	30,658
Other non-current assets	8	23.095	240
Total non-current assets		**572.252**	**620,689**
TOTAL ASSETS		**6.104.361**	**6,255,667**

These consolidated financial statements for the period between 1January-31 December 2014 has been approved for issue by the Board of Directors and the report is prepared according to accounting policy and standarts; signed on behalf of the Board of Directors by CFO and Executive Vice President Hüseyin Zafer and Director of Accounting and Finance Department Ahmet Yılmaz on 27 February 2015.

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

	Notes	Audited 31 December 2014	Audited 31 December 2013
LIABILITIES			
CURRENT LIABILITIES			
Short term borrowings	13	1.772.277	2.242.719
Trade payables			
- Other trade payables due to related parties	*23*	*90.684*	*119.113*
- Other trade payables	*12*	*175.137*	*90.051*
Other current liabilities	16	2.666.826	2.570.835
Current income tax liabilities	22	15.831	11.342
Total current liabilities		**4.720.755**	**5.034.060**
NON-CURRENT LIABILITIES			
Provisions for employment termination benefits	15	70.688	57.852
Trade payables			
- Due to related parties	*23*	*68.161*	*64.029*
Other non-current liabilities	16	1.204	1.101
Total non-current liabilities		**140.053**	**122.982**
SHAREHOLDER'S EQUITY			
Equity owned by parent		*913.906*	*784.274*
Paid-in capital	17	423.234	423.234
Capital reserves	17	171.996	171.996
Share premiums	17	136.421	136.421
Actuarial losses		(5.613)	(3.303)
Foreign currency exchange differences			32
Retained earnings		48.323	-
Net profit for the period		139.545	55.894
Non-controlling interests		*329.647*	*314.351*
Total equity		**1.243.553**	**1.098.625**
TOTAL EQUITY AND LIABILITIES		**6.104.361**	**6.255.667**

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

	Notes	Audited 1 January - 31 December 2014	Audited 3 April - 31 December 2013
CONTINUING OPERATIONS			
Net sales	18	632.315	398.507
Cost of sales	18	(71.788)	(51.044)
GROSS PROFIT		**560.527**	**347.463**
General administrative expenses	19	(290.310)	(208.822)
Other operating expenses, net	20	(38.551)	(38.478)
OPERATING PROFIT		**231.666**	**100.163**
Share of profit of investments accounted for by equity method, net of tax	5	53	37
Financial income	21	26.509	22.103
Financial expenses	21	(3.686)	(24)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**254.542**	**122.279**
Tax benefit/(expense) from continuing operations			
- Current tax expenses	22	(49.641)	(30.834)
- Deferred tax expense	22	(9.580)	5.510
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**195.321**	**96.955**
Distribution of profit from continuing operations:			
- Non-controlling interests		55.776	41.061
- Equity holders of the parent		139.545	55.894
Other comprehensive income:			
Foreign currency exchange differences		(32)	32
Actuarial losses		(3.048)	(3.303)
Other comprehensive income		**(3.080)**	**(3.271)**
TOTAL COMPREHENSIVE INCOME		**192.241**	**93.684**
Distribution of total comprehensive income from continuing operations:			
- Non-controlling interests		55.038	41.061
- Equity holders of the parent		137.203	52.623

The accompanying notes between pages 9 and 57 are an integral part of these consolidated financial statements.

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Statement of Changes in Shareholders' Equity - Audited

	Notes	Paid-in capital	Capital reserves	Share premiums	Actuarial gain/ (loss)	Foreign currency exchange differencies	Retained earnings	Net profit for the period	Total equity of the parent	Non-controlling interests	Total equity
I- Previous period balances (03/04/2013)		**423.234**	**171.589**	**-**	**-**	**-**	**-**	**-**	**594.823**	**235.158**	**829.981**
Net income for the period		-	-	-	-	-	-	55.894	55.894	41.061	96.955
Other comprehensive income		-	-	-	(3.303)	32	-	-	(3.271)	-	(3.271)
Total comprehensive income		**423.234**	**171.589**	**-**	**(3.303)**	**32**	**-**	**55.894**	**647.446**	**276.219**	**923.665**
Increase in capital of subsidiaries by non-controlling interest		-	-	-	-	-	-	-	-	106.999	106.999
Dividend paid		-	-	-	-	-	-	-	-	(4.264)	(4.264)
Increase in share premiums	17	-	-	136.421	-	-	-	-	136.421	-	136.421
Minority share acquisition		-	407	-	-	-	-	-	407	(64.603)	(64.196)
II- Balances at (31/12/2013)		**423.234**	**171.996**	**136.421**	**(3.303)**	**32**	**-**	**55.894**	**784.274**	**314.351**	**1.098.625**

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Statement of Changes in Shareholders' Equity - Audited

	Notes	Paid-in capital	Capital reserves	Share premiums	Actuarial gain/ (loss)	Foreign currency exchange differencies	Retained earnings	Net profit for the period	Total equity of the parent	Non-controlling interests	Total equity
I- Balances at (01/01/2014)		**423.234**	**171.996**	**136.421**	**(3.303)**	**32**	**-**	**55.894**	**784.274**	**314.351**	**1.098.625**
Transfers		-	-	-	-	-	55.894	(55.894)	-	-	-
Net income for the period		-	-	-	-	-	-	139.545	139.545	55.776	195.321
Other comprehensive income		-	-	-	(2.310)	(32)	-	-	(2.342)	(738)	(3.080)
Total comprehensive income		**423.234**	**171.996**	**136.421**	**(5.613)**	**-**	**55.894**	**139.545**	**921.477**	**369.389**	**1.290.866**
Dividend paid		-	-	-	-	-		-	-	(6.420)	(6.420)
Transactions with minority shares		-	-	-	-	-	(7.571)	-	(7.571)	(33.322)	(40.893)
II- Balances at (31/12/2014)		**423.234**	**171.996**	**136.421**	**(5.613)**		**48.323**	**139.545**	**913.906**	**329.647**	**1.243.553**

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 1 JANUARY - 31 DECEMBER 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

	Notes	Audited 1 January - 31 December 2014	Audited 3 April - 31 December 2013
Cash flows provided from operating activities			
Net profit for the period		**195.321**	**96.956**
Adjustments for:			
Current tax expense	22	49.641	30.834
Deferred tax (income)/expense	22	9.580	(5.510)
Depreciation expenses	10	8.970	6.459
Amortisation	11	7.202	3.132
Increase in valuation of invesment properties	9	(2.000)	(1.000)
Increase in provision for employment termination benefits	15	16.076	6.628
Increase in unused vacation liability	15	5.223	(730)
Provision for doubtful receivables	7	(43)	(22)
Provision for Capital Markets Board share	23	47.226	40.194
Provision for legal claims		(2.012)	1.740
Share from investments accounted for by equity method, net of tax	5	53	37
Net financial income		(22.823)	(22.079)
Changes in interest income and rediscount		(1.129)	(1.035)
Cash flow from operating activities before working capital changes		**311.285**	**155.604**
Decrease / (increase) in Trade receivables		104.494	(65.119)
Increase in other current assets		19.072	2.305
Decrease in other non current assets		(22.855)	(56)
(Decrease) / increase in other payables due to related parties		(24.296)	60.269
Increase in short-term borrowings		50.777	540.526
Increase / (decrease) in other payables		85.086	(3.137)
Increase in non-current liabilities		103	294
Taxes paid		(45.152)	(22.026)
Provision for employment termination benefits paid		(3.962)	(5.528)
Unused vacation liability paid		(8.361)	(8.086)
Collection from doubtful receivables		37	300
Net cash generated from operating activities		**154.943**	**499.742**

The accompanying notes between pages 9 and 57 are an integral part of these consolidated financial statements.

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 1 JANUARY - 31 DECEMBER 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

	Notes	Audited 1 January - 31 December 2014	Audited 3 April - 31 December 2013
Cash flows from investing activities			
Purchase of property, plant and equipment		1.679	-
Purchase of tangible assets	10	(77.065)	(15.575)
Purchase of intangible assets	11	(19.353)	(196.684)
Acquisitions of held to maturity financial assets		144.684	(31.439)
Acquisitions of investments accounted for by equity method		(75)	(1.073)
Interests received		25.707	15.545
Commissions paid		(334)	(24)
Advance payment for minority share purchase		(21.084)	-
Minority share purchase		(40.893)	(64.196)
Net cash used in investment activities		**13.266**	**(293.446)**
Cash flows from generating financial activities			
Changing in short term borrowing		(470.442)	1.167.523
Dividend payment to minority		(6.420)	(4.264)
Net cash used in financial activities		**(476.862)**	**1.163.259**
Net increase in cash and cash equivalents		**2.632**	**1.525.159**
Effects of currency translation on cash and cash equivalents		(2.631)	2.349
Changing in compensating balance		288.249	(279.727)
Cash and cash equivalents at the beginning of the period		5.013.602	3.765.821
Cash and cash equivalents at the end of the period	4	**5.301.852**	**5.013.602**

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Note 1 - Group's Organızatıon And Nature Of Operatıons

Borsa Istanbul Anonim Sirketi ("BİST" or "the Company") was founded in order to engage in stock exchange operations as per Article 138 of Capital Markets Law No. 6362 promulgated in the Official Gazette and enacted on 30 December 2012, and received official authorization upon the registration and announcement of its articles of association on 3 April 2013. BİST is a private legal entity and was founded based on the aforementioned Law in order to create, found and develop markets, platforms and systems, and other organised marketplaces and to manage and/or operate these markets, platforms and systems and other stock exchanges or stock exchange markets in a way that ensures: the purchase and sale of capital market instruments, foreign exchange and precious metals and precious stones and other agreements, documents and assets approved by the Capital Markets Board under free competition conditions in an easy and secure way and on a transparent, actively competitive, fair and stable platform; the gathering and finalising of related purchase and sales orders or making it easier to gather these orders; and the determination and announcement of prices occurs within the scope of related legislation.

As per paragraph 2 of Article 138 of Capital Markets Law No. 6362, the Articles of Association of BİST prepared by the Capital Markets Board were registered with the trade registry on 3 April 2013 following the approval of the related Minister. Similarly, as per paragraphs 4 and 5 of the same article of the Law, the legal entities İstanbul Menkul Kıymet Borsası (IMKB), established as per repealed Statutory Decree No. 91, and İstanbul Altın Borsası (IAB), established as per article 40/A of repealed Law No. 2499, have been terminated, and for these two institutions all kinds of assets, payables and receivables, rights and obligations, records and other documents (including those on electronic media) have been transferred to BİST in their entirety, with those exceptions required by law, with no further action needed, on the date of the registration of the Articles of Association of BİST. All actions of BİST as of this date were recognised upon the acceptance of 3 April 2013 as the establishment date of the Company.

Intermediary institutions (intermediary establishments and banks) authorised by the Capital Markets Board to engage in intermediary operations can be members of BİST. Intermediary institutions that will trade at BİST are required to get stock exhange membership document from BİST.

As of 31 December 2014, BİST has 559 (31 December 2013: 643) employees, and the Company's head office is located in Reşit Paşa Street, Tuncay Altun Avenue, Emirgan/Istanbul.

The Company's main shareholder is the Republic Of Turkey Prime Ministry Undersecretariat Of Treasury. As at 31 December 2014 and 31 December 2013 , the Company's shareholding structure is as follows:

	31 December 2014	31 December 2013
Republic of Turkey Prime Ministry Undersecretariat of Treasury	49,00%	49,00%
BİST (the Company itself)	36,60%	42,60%
Nasdaq OMX	5,00%	-
Turkish Capital Markets Association (*)	1,30%	0,30%
Other	8,10%	8,10%
	100,00%	**100,00%**

(*) Formerly named as TSPAKB (The Association of Capital Market Intermediary Institutions of Turkey).

The Company's subsidiaries ("the Subsidiaries"), their principal activities and the countries in which they operate are stated below:

Istanbul Takas ve Saklama Bankası Anonim Şirketi

Istanbul Takas ve Saklama Bankası Anonim Şirketi ("Takasbank") has maintained its operations as a bank which does not accept deposits since 2 January 1996. Takasbank performs custody, exchange and other necessary transactions related to securities on behalf of intermediary institutions. Takasbank also provides custody services on a customer basis. The headquarter of Takasbank is located in Istanbul and it does not have any branches.

Merkezi Kayıt Kuruluşu Anonim Şirketi

Merkezi Kayıt Kuruluşu Anonim Şirketi ("MKK") was established in Istanbul, Turkey to control the consistency of records kept on a member group basis by tracking the records for capital market instruments recorded on the basis of issuers, intermediary institutions and beneficiaries and related rights. MKK started its operations on 26 September 2001.

Vadeli İşlem ve Opsiyon Borsası Anonim Şirketi

Vadeli İşlem ve Opsiyon Borsası Anonim Şirketi ("VOB") was established according to Article 40 of Capital Markets Law No. 2499 (repealed) on 4 July 2002. In addition to forming and developing these markets, VOB's field of activity includes ensuring the operation of the markets in which capital market instruments including any type of derivatives will be traded with forward and option contracts as per the provisions of the Capital Markets Law and related regulations. VOB started its main activities on February 2005. According to Board of Directors' decision numbered 2013/23 and dated 9 September 2013, it was decided to merge Borsa İstanbul A.Ş and Vadeli İşlem ve Opsiyon Borsası (VOB) with easement. The decision regarding the merger of Borsa İstanbul A.Ş and Vadeli İşlem ve Opsiyon Borsası (VOB) was registered by İzmir Trade Registry Directorate on 28 March 2014 where VOB was registered and by İstanbul Trade Registry Directorate on 2 April 2014 where Borsa İstanbul A.Ş. is registered. As a result of this transaction, legal personality of VOB has ended and all kinds of assets, payables and receivables, rights and obligations, records and other documents (including those on electronic media) have been transferred to BİST in their entirety, with those exceptions required by law, with no further action needed.

Note 2 - Basis Of Presentation Of Financial Statements

2.1 Basis of presentation

BİST and BİST's subsidiaries operating in Turkey maintain their accounting records and prepare their statutory financial statements in TRY and in accordance with the Turkish Commercial Code ("TCC"), tax legislation and Uniform Chart of Accounts issued by the Ministry of Finance. The subsidiaries incorporated outside of Turkey maintain their books of account and prepare their statutory financial statements in accordance with the regulations of the countries in which they operate.

These consolidated financial statements are prepared according to the International Financial Reporting Standards ("IFRS"). The financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications in accordance with IFRS.

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014
(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

The preparation of the financial statements requires the use of judgments and estimates which might affect the amounts of assets and liabilities, explanation of commitments and contingent liabilities which were reported as of the balance sheet date and the revenues and expenses which were reported throughout the period. Even though, these judgments and estimates are based on the best estimates of the Company's management, the actual results might differ from them.

2.2 Changes in the International Financial Reporting Standarts

Group has implemented the new and revised standards and interpretations effective from 31 December 2014 which are related to its main operations

- Amendment to IAS 32,'Financial instruments:Presentation', on offsetting financial assets and financial liabilities, effective from annual periods beginning on or after 1 January 2014. This amendment updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

- Amendments to IAS 36, 'Impairment of assets', effective from annual periods beginning on or after 1 January 2014. These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- Amendment to IAS 39 'Financial instruments: Recognition and measurement', on novation of derivatives and hedge accounting, effective from annual periods beginning on or after 1 January 2014. These narrow-scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met.

- IFRIC 21, 'Levies', effective from annual periods beginning on or after 1 January 2014. This interpretation is on IAS 37, 'Provisions, contingent liabilities and contingent assets'. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

- Amendments to IFRS 10, 'Consolidated financial statements', IFRS 12 and IAS 27 for investment entities, effective from annual periods beginning on or after 1 January 2014. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make.

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014
(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Standarts and amendments was published, affected after 1 January 2015

- Annual improvements 2012; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards:

  - IFRS 2, 'Share-based payment'
  - IFRS 3, 'Business Combinations'
  - IFRS 8, 'Operating segments'
  - IFRS 13, 'Fair value measurement'
  - IAS 16, 'Property, plant and equipment' and IAS 38,'Intangible assets'r
  - Consequential amendments to IFRS 9, 'Financial instruments', IAS 37, 'Provisions, contingent liabilities and contingent assets',
  - IAS 9, Financial Instruments; IAS 37, Provisions, contingent liabilities and contingent assets'
  - IAS 39, Financial instruments - Recognition and measurement'

- Annual improvements 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-12-13 cycle of the annual improvements project, that affect 4 standards:

  - IFRS 1, 'First time adoption'
  - IFRS 3, 'Business combinations'
  - IFRS 13, 'Fair value measurement' and
  - IAS 40, Investment property

- IFRS 14 'Regulatory deferral accounts', effective from annual periods beginning on or after1 January 2016. IFRS 14, 'Regulatory deferral accounts' permits first–time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.

- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after1 January 2016. In this amendment the it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

- Amendments to IAS 27, 'Separate financial statements' on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014
(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

- IFRS 15 'Revenue from contracts with customers', effective from annual periods beginning on or after 1 January 2017. IFRS 15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

- IFRS 9 'Financial instruments', effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

- Amendments to IAS 16 'Property,plant and equipment', and IAS 41, 'Agriculture', regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

- Amendment to IAS 19 regarding defined benefit plans, effective from annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:

  - IFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal.
  - IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts.
  - IAS 19, 'Employee benefits' regarding discount rates.
  - IAS 34, 'Interim financial reporting' regarding disclosure of information.

The Group assumed that the given amendments and interpretations has no material effect on the consolidated financial statements.

2.3 Comparative Informations

In accordance with IFRS 1, an entity's first financial statements applying IFRS shall include, consolidated balanced sheet, comprehensive income, equity movement, cash flow tables prepared comperatively.

Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current year consolidated financial statements.

2.4 Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously

2.5 Financial statements of subsidiaries operating in foreign countries

Financial statements of subsidiaries that are operating in foreign countries are prepared in accordance with the laws and regulations in force in the countries in which they are registered in and required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Group's accounting policies.

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates; and all resulting exchange differences are recognised as a separate component of equity and statements of comprehensive income.

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.6 Consolidation principles

These consolidated financial statements include the accounts of parent company BİST and its Subsidiaries. The financial statements of the companies included in the consolidation are based on the accounting principles and presentation basis applied by the Group in accordance with IFRS. The result of operations of Subsidiaries are included or excluded in these consolidated financial statements subsequent to the date of acquisition or date that the the control over operations had been transferred to the parent company. Where necessary, accounting policies for Subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Subsidiaries are companies in which BİST has the power to control the financial and operating policies for the benefit of BİST either (1) through the power to exercise more than 50% of voting rights related to shares in the companies as a result of shares owned directly and indirectly by itself whereby BİST exercises control over the voting rights of the shares held by them; or (2) although not having the power to exercise more than 50% of the voting rights, through the exercise of actual dominant influence over the financial and operating policies.

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Proportion of ownership interest represents the effective shareholding of the Group through the shares held directly by BİST and indirectly by its Subsidiaries. The table below sets out all Subsidiaries included in the scope of consolidation and shows their shareholding structure at 31 December 2013 as follows:

Subsidiaries	Total propotion of ownership interest%	
	31 December 2014	31 December 2013
Vadeli İşlem ve Opsiyon Borsası A.Ş.	-	%100,00
Merkezi Kayıt Kuruluşu A.Ş.	%70,50	%63,90
İstanbul Takas ve Saklama Bankası A.Ş. (*)	%62,25	%52,09

(*) The Group has raised its shareholding in Takasbank from 52,09% to 57,09% by acquisition of some of the minority shares at the date of 31 January 2014. As a result, Group's indirect ownership in MKK's shares has raised from 63,90% to 67,15%. Group has raised its shareholding in Takasbank to 61.38% through paid and unpaid capital increase on 26 June 2014. As a result, Group's indirect ownership in MKK's shares has raised from 67,15% to 69,93%. Additionally, Group has raised its shareholding in Takasbank to 62.25% through acquisition of some of the minority shares on 22 September 2014. As a result, Group's indirect ownership in MKK's shares has raised from 69,93% to 70,50%.

The minority shareholders' share in the net assets and results for the period for Subsidiaries are separately classified in the consolidated balance sheets and statements of income as "minority interest".

In the event that the equity capital ratio held by entities with a non-controlling interest changes, the book values of the controlling (parent company) and non-controlling interests are adjusted with the purpose of reflecting the change in their respective interest in the subsidiary. The difference between the adjusted amount of the non-controlling interest and the fair value of the share price, which is paid or received, is directly recognised under equity and is distributed to the parent company's shareholders.

Investments in associated undertakings are accounted for by the equity method of accounting. These are undertakings over which the Group generally has between 20% and 50% of the voting rights; which the Group has significant influence, but no controlling power. Unrealised gains on transactions between the Group and its associated undertakings are eliminated to the extent of the Group's interest in the associated undertakings; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Equity accounting is discontinued when the carrying amount of the investment in an associated undertaking reaches zero in respect of the associated undertaking or significant influence of the Company ceases. The carrying amount of the investment at the date when significant influence ceases is regarded as cost thereafter.

The table below sets out the associates accounted for using the equity method of accounting, the proportion of voting power held by the Group and its subsidiaries and effective ownership interests at 31 December 2014 and 31 December 2013:

Subsidiaries	Total propotion of ownership interest%	
	31 December 2014	31 December 2013
Kyrgyz Stock Exchange	%24,51	%24,51
Montenegro Stock Exchange	%24,39	%24,39

2.7 Basis of measurement

The financial statements have been prepared on a historical cost basis except for available-for-sale financial assets that are measured at fair value.

2.8 Functional and presentation currency

The accompanying financial statements are presented in BİST's functional and presentation currency, which is Turkish Lira ("TRY"), in full unless otherwise stated.

2.9 Changes in accounting policies and estimates and errors

The valuation principles and accounting policies have been applied consistently to all periods presented in these financial statements. Material changes in accounting policies and material accounting errors are adjusted retrospectively and prior periods' financial statements are restated. If the changes in accounting estimates are related with a period, they are applied in the period they are related with and if the changes are related with the future periods, they are applied both in the period the change is made and prospectively in the future periods.

2.10 Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires the use of judgments and estimates which might affect the amounts of assets and liabilities, explanation of commitments and contingent liabilities which were reported as of the balance sheet date and the revenues and expenses which were reported throughout the period. Even though, these judgments and estimates are based on the best estimates of the Company's management, the actual results might differ from them.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 9 - Investment properties
Note 10 - Property, plant and equipment
Note 11 - Intangible assets
Note 14 - Provisions, contingent asset and liabilities
Note15 - Provisions for employment termination benefits
Note 22 - Tax assets and liabilities

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

2.11 Summary of significant accounting policies

The significant accounting policies used in preparing the financial statements are described below.

Service revenue

Income generated from ordinary functions is recorded as revenue, on an accrual basis.

The main income items in BİST's operating income are:

Entrance fees and annual fees of stock exchange members, listing fees, registration fees, trading fees and licencing income

Securities registration fees consist of income: declared to BİST on a weekly basis by banks and intermediary institutions; realised by sale, purchase, repo and reverse repo transactions of securities; and accrued on a weekly basis.

Trading fees consist of income: calculated for each sale and purchase transaction in the equity market, debt securities market, futures and options market and precious metals and diamonds market; and accrued on a monthly and daily basis.

Listing fees consist of the initial listing fee/registration fee, the annual listing fee/staying registered fee and the re-listing fee/registration renewal fee. The initial listing fee is collected for each quotation transaction for the nominal securities amounts. Partnerships in the exchange quote of securities pay a fee for each year that they stay registered.

The registration renewal fee is paid by the partnerships. In cases where the securities are temporarily removed from the quote by the board of directors they are included in the exchange quote again. Market fees are calculated based on the same principles and accrue to the relevant partnerships.

Rental income

Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the lease.

Property and equipment

Costs refer to expenditures directly related to acquisition of assets.

Gains/losses arising from the disposal of the property and equipment are calculated as the difference between the net carrying value and the net sales price and recognised in the other operating income or expenses in the related period.

Depreciation

Property and equipment are depreciated over the estimated useful lives of the related assets from the date of acquisition or the date of installation, on a straight-line basis.

The estimated useful lives of property and equipment are as follows:

Property and equipment	Year
Buildings	35-50
Machinery and equipment	4-10
Vehicles	5
Furniture and fixtures	4-15
Other property,plant and equipment	2-16

Expenditures incurred to replace a component of an item of property and equipment that are accounted for separately, including major inspection and overhauls costs, are capitalised. Other subsequent expenditures are capitalised only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditures are recognised in profit or loss as an expense as incurred.

Investment properties

The investment properties, which are held either to earn income or for capital appreciation or for both, instead of either for BİST's operations or for management purposes or for sale during the regular operations, are classified under other properties.

Investment properties are carried at their fair value on the basis of a valuation made by an independent valuation expert. Changes in fair values of investment properties are recognised in the income statement under other income.

Intangible assets

Intangible assets includes information systems, softwares and other intangibles arose from business mergers. Intangible assets are recognised at acquisition cost and amortised by the straight-line method over their estimated useful lives after their acquisition date. If impairment exists, carrying amounts of the intangible assets are written down immediately to their recoverable amounts. Intangible assets are amortised on a straight-line basis over their estimated useful lives for a period between 3-5 years from the date of acquisition.

Construction in progress assets are amortised when the related intangible assets are ready for use in accordance with the useful lives identified.

2.5.6 Financial instruments

BİST's financial assets consist of cash and cash equivalents, available-for-sale financial assets, trade and other receivables; and financial liabilities consist of trade and other payables.

Non-derivative financial assets

BİST recognises its trade and other receivables on the date that they are originated. All other financial assets are recognised on the transaction date that BİST becomes a party for related financial agreements. BİST derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by BİST is recognised as a separate asset and liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, BİST has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

BİST classifies non-derivative financial assets into the following categories: available-for-sale financial assets, assets held to maturity and loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, time deposits with maturities less than three months, reverse repurchase agreements, and type B liquid funds that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Time deposits at banks are initially recognised at fair value and then, subsequently measured at amortised cost using the effective interest method. The carrying amount of these assets is close to their fair values.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. At the reporting date, subsequent to initial recognition, trade and other receivables are measured at amortised cost using the effective interest method. When a trade receivable become uncollectible, it is written off against the allowance account. The amount of the allowance account is the difference between the carrying amount of the receivables and the collectible amount. Changes in the carrying amount of the allowance account are recognised in profit or loss. BİST's management believes that carrying value of the trade and other receivables on the statement of financial position approximates to their fair value.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets and financial assets at fair value through profit or loss or held-to-maturity categories. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

BİST also has investments in unquoted equity investments that are not traded in an active market but are also representing share in capital and classified as available-for-sale financial assets and measured at cost since their fair value cannot be measured reliably.

Financial assets held-to-maturity:

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than those that the entity upon initial recognition designates as at fair value through profit or loss, those that the entity designates as available for sale; and those that meet the definition of loans and receivables. Held-to-maturity financial assets are initially recognized at cost and the cost is assumed as fair value. Fair value of the held-to-maturity financial assets is based on the original transaction cost or market value of similar financial assets. Held-to-maturity financial assets are measured at amortised cost using the effective interest method after initial recognition. Interest income related to held-to-maturity assets are accounted for under income statement.

The Company does not account for a provision for impairment of short-term market fluctuations for the debt securities classified as held-to-maturity financial assets provided that collection risk does not exists. If there is a collection risk, the impairment amount is determined as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

Non-derivative financial liabilities

BİST initially recognises financial liabilities on the date that they are originated.

BİST derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

BİST classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. The non-derivative financial liabilities of BİST consist of, financial liabilities, trade and other payables.

Paid-in capital

Ordinary shares are classified as equity. Dividend income is recognised as income when right to obtain of dividend is generated. Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

Capital Reserves

On 3 April 2013, the legal entities, IMKB and IAB, are terminated and all assets, liabilities and receivables, rights and obligations, records and other documents have been transferred to BİST in their entirety, with the exceptions required by law, with no futher action needed. The Company's capital has been registered as exact TRY423,234,000 at 31 March 2013. The registered capital of BİST is deducted from the sum of all equity accounts in the consolidated financial statements prepared in accordance with IFRS, which is the basis of transfer accounting and the remaining balance is accounted for as capital reserves.

Share-based payments

An entity has an obligation to settle a share-based payment transaction when it receives the goods or services unless the transaction is clearly for a purpose other than payment for goods or services supplied to the entity receiving them.

An entity shall recognise the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received. The entity shall recognise a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

Impairment of assets

Non-derivative financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss events had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to BİST on terms that BİST would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Financial assets measured at amortised cost

BİST considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at a specific asset level. All assets are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Non-financial financial asset

The carrying amount of BİST's non-financial assets, other than investment properties and deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Impairment losses are recongnised in profit or loss.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Earnings per share

According to IAS 33 - "Earnings per Share", companies whose shares are not traded in a stock exchange market, do not have to declare earnings per share. Since, BİST has no shares that are not traded in a stock exchange market, earnings per share is not calculated in accompanying financial statements.

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Provisions, contingent liabilities and assets

According to IAS 37 - Provisions, contingent liabilities and assets, a provision is recognised when BİST has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the specified criteria are not met, BİST discloses the related issues in the accompanying notes. Contingent assets are disclosed in the notes and not recognised unless it is realised.

Lease transactions

Leases in terms of which BİST assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operational leases. All lease transactions of BİST are operational leases. As per Article 138 of Capital Markets Law No. 6362, which entered into force after its promulgation in the Official Gazette dated 30 December 2012, immovables owned by the Istanbul Stock Exchange were registered free of charge at the title deed registry office on behalf of the Undersecretariat of Treasury on an administrative basis and buildings on those immovables were also registered and were left for use by the ISE for 29 years, of which the first 15 years are to be free of charge.

Employment termination benefits

In accordance with existing social legislation, the Group is required to make lump sum termination indemnities to each employee who has completed one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

In the consolidated financial statement, the Group has reflected a liability calculated using "Projected Unit Credit Method" and based upon factors derived using the Group's experience of personnel terminating their services and being eligible to receive benefits, discounted by using the current market yield at the balance sheet date on government bonds.

According to IAS 19 (amendment), "Employment termination benefits", effective for annual periods beginning on or after 1 January 2013, gains/losses occurred due to the changes in the actuarial assumptions used in the calculation of employment termination benefit should be reclassified under the other comprehensive income.

Financial income and financial expenses

Financial income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that BİST's right to receive payment is established.Financial expenses comprise of commissions paid.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either financial income or financial expenses depending on whether foreign currency movements are in a net gain or net loss position.

Reporting of financial information per segments

An operating segment is a component of BİST that engages in business activities from which it may earn income and incur expenses, including income and expenses that relate to transactions with any of BİST's other components. All operating segments' operating results are reviewed regularly by the management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The management of BİST has not identified any segments, that financial performances of each are followed up separately, and has not presented segment reporting information accordingly.

2.5.15 Taxation

Tax expense or income is the aggregate amount included in the determination of net profit or loss for the period in respect of current and deferred tax.

Deferred tax is computed, using the liability method, and by the effective tax rate at balance sheet date. And deferred tax is computed on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against the deductible temporary differences. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred taxes arising from income and expenses accounted under equity are also recorded under equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. The carrying amount of deferred income tax assets is reviewed by the Group at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Not 3 - Business Combination

None.

**BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014**
(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Note 4 - Cash And Cash Equivalents

As of 31 December 2014 and 31 December 2013, cash and cash equivalents are as follows

	31 December 2014	31 December 2013
Cash	17	17
Banks - time deposits	5.269.057	4.943.619
Banks - demand deposits	23.199	14.039
Reverse repo receivables	24.786	16.099
Investment funds (B type liquid fund)	551	724
Reserves held at the Central bank	-	341.982
Cash and cash equivalents on statement of financial position	**5.317.610**	**5.316.480**
Accruals on cash and cash equivalents	(14.623)	(13.494)
Less: restricted bank deposits	(1.135)	(289.384)
Cash and cash equivalents on statement of cash flows	**5.301.852**	**5.013.602**

Banks-Time deposits

The details of time deposits as of 31 December 2014 and 31 December 2013, are as follows:

	Amount (TRY)	Interest rate range	Maturity interval
31 December 2014			
TL	3.404.699	%9,00 - %9,71	2 January 2015 - 25 March 2015
USD	1.436.016	%2,13 - %2,69	2 January 2015 - 27 February 2015
EUR	428.342	%1,92	2 January 2015 - 3 February 2015

	Amount (TRY)	Interest rate range	Maturity interval
31 December 2013			
TL	3.247.985	%6,21 - %9,75	1 January - 31 January 2014
USD	884.296	%2,25 - %3,85	1 January - 2 February 2014
EUR	811.338	%2,65 - %3,85	1 January - 31 January 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Not 5 - Investments Accounted For By Equity Method

None of BİST's investments accounted for by equity method are publicly listed entities and consequentially do not have published price quotations.

Summary of financial information for equity accounted investees is as follows for the period ended 31 December 2014 and 31 December 2013:

31 December 2014	Participation rate	Total assets	Total liabilities	Net assets	Net profit for the period	BİST's shares profit/loss	BİST's share net assets
Montenegro Stock Exchange	24,39%	5.551	168	5.384	204	50	1.313
Kyrgyz Stock Exchange	24,51%	1.173	95	1.078	13	3	264
Total						**53**	**1.577**

31 December 2013	Participation rate	Total assets	Total liabilities	Net assets	Net profit for the period	BİST's shares profit/loss	BİST's share net assets
Montenegro Stock Exchange	%24,39	5.628	236	5.392	54	13	1.307
Kyrgyz Stock Exchange	%24,51	1.284	96	1.188	98	24	248
Total						**37**	**1.555**

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Not 6 - Other Financial Investments

As of 31 December 2014 and 31 December 2013, other financial investments are as follows:

	31 December 2014	31 December 2013
Trading investments	-	1.609
Other financial investments	**-**	**1.609**

There is no goverment bonds as of 31 December 2014.

As of 31 December 2013, details of government bonds are as follows:

	Nominal	Book value	Interest rate (%)	Maturity
31 December 2013				
Goverment bonds	1.648	1.609	6.97	6 months to 1 year
Total	**1.648**	**1.609**		

	31 December 2014	31 December 2013
Securities available for sale (not traded in stock exchanges)	5.278	4.339
Held-to-maturity financial assets	169.256	313.270
Other financial investments	**174.534**	**317.609**

As of 31 December 2014 and 31 December 2013, details of held-to-maturity financial assets are as follows:

	Nominal	Book value	Interest rate (%)	Maturity
31 December 2014				
Goverment bonds	95.000	92.321	10,92	1 month to 3 months
Goverment bonds	80.000	75.679	9,21	6 months to 1 year
Goverment bonds	1.115	1.038	8,00	6 months to 1 year
Goverment bonds	228	218	8,29	6 months to 1 year
Toplam	**176.343**	**169.256**		

	Nominal	Book value	Interest rate (%)	Maturity
31 December 2013				
Goverment bonds	28.192	27.766	6,16	3 to 6 months
Goverment bonds	46.598	45.665	5,05	3 to 6 months
Goverment bonds	246.648	239.839	9,39	6 months to 1 year
Toplam	**321.438**	**313.270**		

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014
(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

As of 31 December 2014 and 31 December 2013, details of investments in equity participations are as follows:

	31 December 2014		31 December 2013	
	Participation Rate (%)	Carrying Value	Participation Rate (%)	Carrying Value
Investments in equity participations				
Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş.	19,55	3.320	19,16	2.392
Sermaye Piy. Lisanslama Sicil ve Eğitim Kuruluşu A.Ş. ("SPL") (*)	33,94	820	31,59	800
Saraybosna Borsası	11,66	528	10,78	535
Bakü Borsası	4,76	157	4,76	157
S.W.I.F.T SCRL	0,32	125	0,32	130
İstanbul Gemoloji Enstitüsü San. ve Tic. A.Ş. (**)	2,00	1		-
Other		327		325
Total		**5.278**		**4.339**

(*) Since the financial results of SPL (Capital Markets Licensing and Training Agency) do not have a material effect on the group's consolidated financial results, they were not included in investments valued by the equity method and the ratio of the company's total assets and turnover to the group's consolidated total assets and turnover is under 1% as of the current period.

(**) The group increased its shareholding ratio from 2% to 51% by purchasing shares of İstanbul Gemoloji Enstitüsü San. ve Tic. A.Ş at a price of TRY 50 on 31 December 2014 and the transfer of shares was registered on 30 January 2015. The share price of TRY 50 was recognised in the account of advances given since the registration of the transfer of shares was not completed by 31 December 2014 (Note 8).

None of BİST's available for sale shares in equity participations is publicly listed companies and they do not have price in an active market and they are stated at cost as their fair value cannot be determined reliably.

**BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014**
(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Not 7 - Trade Receivables

Trade receivables

Short term trade receivables

As of 31 December 2014 and 31 December 2013, short term trade receivables are as follows:

	31 December 2014	31 December 2013
Credits lended	169.177	282.291
Receivables from members (*)	33.173	24.748
Custody and commission receivables	5.394	4.943
Other receivables	62	43
Notes receivable	-	183
Doubtful receivables	1.929	1.927
Provisions for doubtful receivables (-)	(1.929)	(1.927)
Total	**207.806**	**312.208**

(*) The balance of receivables from members account consists of invoiced debenture registration fees, commission fees, annual membership fees, equity and debt securities market terminal fees, and data vending fees.

Other long term trade receivables

As of 31 December 2014 and 31 December 2013, long term trade receivables are as follows:

	31 December 2014	31 December 2013
Advances given	19	20
Doubtful receivables	89	85
Provisions for doubtful receivables (-)	(89)	(85)
Total	**19**	**20**

For the period ended 31 December 2014, the movement of provisions for doubtful receivables is as follows:

	2014	2013
1 January	(2.012)	(2.290)
Provisions during the period	(43)	(22)
Collections during the period	37	300
Total	**(2.018)**	**(2.012)**

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Not 8 - Other Assets

Other current assets

As of 31 December 2014 and 31 December 2013, the details of other current assets are as follows:

	31 December 2014	31 December 2013
Prepaid expenses	5.840	2.337
Work advances	599	1.646
Other	254	698
Total	**6.693**	**4.681**

Other non-current assets

As of 31 December 2014 and 31 December 2013, other non-current assets are as follows:

	31 December 2014	31 December 2013
Advance payments (*) (**)	21.203	-
Prepaid expenses	954	213
Deposits and guarantees given	938	27
Total	**23.095**	**240**

(*) As per Article 11 of Electricity Market Law No. 6446, which entered into force after its promulgation in the Official Gazette No. 28603 dated 30 March 2013, it was agreed that Enerji Piyasaları İşletme Anonim Şirketi ("EPİAŞ") should be founded and that the company's articles of association as well as its regulations of organization should be prepared by the Energy Market Regulatory Authority ("EPDK"). EPİAŞ's Articles of Association and its Regulation on Organization Structure and Work Principles prepared within this scope were approved by the Energy Market Regulatory Authority ("EPDK"). However, the sum amounting to TRY 21,153, which was paid to buy shares on 18 and 26 December 2014, was recognised under the account of advances given since the registration of EPİAŞ was not completed by 31 December 2014.

(**) The group increased its shareholding ratio from 2% to 51% by purchasing shares of İstanbul Gemoloji Enstitüsü San. ve Tic. A.Ş at a price of TRY 50 on 31 December 2014 and the transfer of shares was registered on 30 January 2015. The share price of TRY 50 was recognised in the account of advances given since the registration of the transfer of shares was not completed by 31 December 2014 (Note 6).

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Note 9 - Investment Properties

For the period ended 31 December 2014 and 31 December 2013, the movements of the investment properties are as follows:

	Valuation Metod	1 January 2014	Increase in value	31 December 2014
Investment properties	Comparaison sales method	10.500	2.000	12.500
Total		**10.500**	**2.000**	**12.500**
	Valuation Metod	**3 April 2013**	**Increase in value**	**31 December 2013**
Investment properties	Comparaison sales method	9.500	1,000	10.500
Total		**9.500**	**1.000**	**10.500**

The fair value of the investment property as of 31 December 2013 is determined in accordance with the values defined by comparasion of sales method in valuation reports dated 26 February 2014 prepared by an independent valuation Company as TRY 12,500. As of 31 December 2104, the rent income from investment properties is amounting to TRY 785 and accounted under other income (31 December 2013: TRY 524).

There are not any capitalised borrowing costs, mortgages or pledges on the investment property.

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014
(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Note 10 - Property, Plant And Equipment

For the period ended 31 December 2014 and 31 December 2013, movements of the tangible assets are as follows:

Cost	1 January 2014	Additions	Disposals	Transfers (**)	Impairment	31 December 2014
Building	10.942	5	-	-	-	10.947
Machinery and equipment	11.497	11.956	(1.284)	5.869	-	28.038
Vehicles	962	929	(878)	-	-	1.013
Furnitures and fixtures	11.298	13.485	(1.567)	-	-	23.216
Other property, plant and equipment	143	-	-	-	-	143
Leasehold improvements	237	503	-	18.121	-	18.861
Costruction in progress	14.478	33.139	-	(28.578)	-	19.039
Given fixed asset advances	-	17.048	-	-	-	17.048
Total	**49.557**	**77.065**	**(3.729)**	**(4.588)**	**-**	**118.305**
Accumulated depreciation						
Building	(209)	(305)	-	-	-	(514)
Machinery and equipment	(2.407)	(4.376)	573	-	-	(6.210)
Vehicles	(385)	(232)	257	-	-	(360)
Furnitures and fixtures	(2.754)	(3.766)	1.220	-	-	(5.300)
Other property, plant and equipment	(15)	(4)	-	-	-	(19)
Leasehold improvements	(65)	(287)	-	-	-	(352)
Total	**(5.835)**	**(8.970)**	**2.050**	**-**	**-**	**(12.755)**
Net book value	**43.722**					**105.550**

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Cost	3 April 2013	Additions	Disposals	Transfers	Impairment	31 December 2013
Building	9.959	1.608	(625)	-	-	10.942
Machinery and equipment	8.609	2.990	(102)	-	-	11.497
Vehicles	993	55	(86)	-	-	962
Furnitures and fixtures	8.696	3.160	(445)	-	(113)	11.298
Other property, plant and equipment	143	-		-	-	143
Leasehold improvements	147	140	(50)	-	-	237
Costruction in progress	8.859	7.622	-	(2.003)	-	14.478
Total	**37.406**	**15.575**	**(1.308)**	**(2.003)**	**(113)**	**49.557**
Accumulated depreciation						
Building	-	(454)	245	-	-	(209)
Machinery and equipment	-	(2.407)	-	-	-	(2.407)
Vehicles	-	(433)	48	-	-	(385)
Furnitures and fixtures	-	(3.085)	331	-	-	(2.754)
Other property, plant and equipment	-	(15)	-	-	-	(15)
Leasehold improvements	-	(65)	-	-	-	(65)
Total	**-**	**(6.459)**	**624**	**-**	**-**	**(5.835)**
Net book value	**37.406**					**43.722**

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Note 11 - Intangible Assets

For the period ended 31 December 2014 and 31 December 2013, the movements of the intangible assets are as follows:

Cost	1 January 2014	Additions	Disposals	Transfers (**)	Impairment	31 December 2014
Rights	6.718	4.980	-	98	-	11.796
Software licences	2.401	1.802	(34)	-	-	4.169
Research and development	10.509	-	-	4.490	-	14.999
Construction in progress (*)	199.889	12.571	-	-	-	212.460
Total	**219.517**	**19.353**	**(34)**	**4.588**	**-**	**243.424**
Accumulated amortization						
Rights	(527)	(3.774)	-	-	-	(4.301)
Software licences	(1.146)	(878)	34	-	-	(1.990)
Cost of research and development	(1.459)	(2.550)	-	-	-	(4.009)
Total	**(3.132)**	**(7.202)**	**34**	**-**	**-**	**(10.300)**
Net book value	**216.385**					**233.124**

Cost	3 April 2013	Additions	Disposals	Transfers	Impairment	31 December 2013
Rights	3.081	3.637	-	-	-	6.718
Software licences	2.763	183	(2)	-	(543)	2.401
Research and development	5.677	2.829	-	2.003	-	10.509
Construction in progress (*)	11.857	188.032	-	-	-	199.889
Total	**23.378**	**194.681**	**(2)**	**2.003**	**(543)**	**219.517**
Accumulated amortization						
Rights	-	(527)	-	-	-	(527)
Software licences	-	(1.146)	-	-	-	(1.146)
Cost of research and development	-	(1.459)	-	-	-	(1.459)
Total	**-**	**(3.132)**	**-**	**-**	**-**	**(3.132)**
Net book value	**23.378**					**216.385**

BİST does not have any intangible assets produced within the company.

(*) Includes renewal of all the softwares related to the technological infrastructure of the BİST's markets and service fees which are being acquired according to the agreements signed at 31 December 2013 with Nasdaq OMX.

(**) Subsidiary company MKK is registered as research and development center with code n. 5746 by Ministry of Science, Industry and Technology. Expenses made within this scope are being capitalised and transferred into construction in progress accounts. By the end of this project, the total figure of capitalised project fee is classed into intangible assets and the amortisation expense for the related period is recognised the profit and loss section.

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Note 12 - Trade Payables

Short term trade payables

As of 31 December 2014 and 31 December 2013, short term trade payables are as follows:

	31 December 2014	31 December 2013
Payables to members	168.183	83.357
Payables to suppliers	6.895	6.488
Other payables	59	206
Total	**175.137**	**90.051**

Long term trade payables

As of 31 December 2014 and 31 December 2013, long term trade payables are as follows:

	31 December 2014	31 December 2013
Due to related parties (*)	68.161	64.029
Total	**68.161**	**64.029**

(*) The Company signed agreements with Nasdaq OMX ("Nasdaq") to build a comprehensive strategic partnership on 31 December 2013. Within the context of these agreements, Nasdaq will replace all the software underlying the technological infrastructure of the markets within the Company with software packages developed according to Company needs, and will provide the consultancy services needed for the implementation of these technologies for three years. Accordingly, Nasdaq will provide BİST training support for human resources and technological know-how for a wide range of projects from index calculations to marketing.

BİST, which has the ownership and the source code of the said technologies for which competency and know-how will be transferred, is entitled to sell these technologies in 25 countries. Within the framework of the agreement, the payments to be made by BİST to Nasdaq shall be in the form of a) transfer of 5% shares, b) deferred payment or transfer of 2% additional shares, and c) cash payment, which shall be made in instalments. As per provisions of the agreement, 5% of BİST shares was transferred to Nasdaq OMX on 7 January 2014. A deferred payment or additional transfer of 2% of BİST shares will become final at the end of 2015. In addition, it is possible for BİST to acquire 2% of shares from Nasdaq by means of a share exchange.

Within the framework of the agreement signed with Nasdaq OMX, deferred payments to be made to Nasdaq by BİST or payments regarding the 2% additional share transfer are recognized under due to related parties.

Note 13 - Short Term Borrowings

As of 31 December 2014 and 31 December 2013, short term borrowings of BİST are as follows:

Short term borrowings	31 December 2014	31 December 2013
Short term borrowings - USD	882.363	764.774
Short term borrowings - TRY	478.357	459.141
Short term borrowings - Euro	411.557	809.335
Payables to money market	-	209.469
Total	**1.772.277**	**2.242.719**

As of 31 December 2014, the maturity date of short-term borrowings is shorter than one month and weighted average interest rates for EUR, USD, and TRY borrowings are 0,25%, 0,45% ve %8,39% respectively (31 December 2013: 102%, 0,72%, 6,7%).

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Note 14 - Provisions, Contıngent Assets And Liabilities

Provision for legal cases

There are several lawsuits against the Group as at 31 December 2014. In accordance with the opinions of the legal advisors, the management has reserved provisions amounting to TRY 3.859 in the consolidated financial statements as of 31 December 2014 (31 December 2013: TRY 5.871).

Commitments

Total amount of commitments not included in liabilities

	31 December 2014	31 December 2013
Guarantees received from members (*)		
Bond and Bill Guarantees	6.720.834	6.803.994
Stock Market Guarantees	384.087	370.697
Precious Metal and Diamond Guarantees	61.161	13.968
International Bonds Market Guarantees	3.874	2.815
Total	**7.169.956**	**7.191.474**

(*) Includes the guarantees of the members related to BİST's operating markets.

	31 December 2014	31 December 2013
Guarantees received from goods and services suppliers		
TRY	39.496	8.437
USD	7.250	3.835
EUR	2.305	4.152
Total	**49.051**	**16.424**

	31 December 2014	31 December 2013
Assets Under Custody Contribution Fund of Mandotory Education of BİST (*)	138.260	159.286
Total	**138.260**	**159.286**

(*) In accordance with the decision of İMKB's Board of Directors in 1997, İMKB made a contribution to 'Contribution to Continuous Education' amounting to TRY 32,000. The contribution fund is established under the decisions made in the General Assembly and Board of Directors in order to fund the construction of primary schools under the name of "Contribution Fund of Mandatory Education of İMKB". This fund is collected under time deposits held by public banks and managed by İMKB; however, the related fund is not included in the assets of İMKB. The fund was previously accounted under İMKB's assets and liabilities until 1999 and currently, it is accounted under the off-balance sheet. As of 31 December 2014, principal amount of "Contribution Fund of Mandatory Education of İMKB" is TRY98.279 (31 December 2013: TRY 132,461).

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Note 15 - Provision For Employment Termination Benefits

As of 31 December 2014 and 31 December 2013, the details of long term employment termination benefits are as follows:

	31 December 2014	31 December 2013
Employment termination benefits provision	23.485	19.612
Service bonus provisions	19.196	27.558
Unused vacation liability	15.905	10.682
Personnel bonus provision	12.102	-
Total	**70.688**	**57.852**

Provision for employment termination benefits

Under Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). After the change in regulation, on 23 May 2002, several articles related the transition process before retirement have been removed.

The amount payable consists of one month's salary limited to a maximum of TRY 3,254.44 for each year of service at 31 December 2014 (31 December 2013: TRY 3.254,44).

Provision for employment termination benefits has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

IAS 19 requires actuarial valuation methods to be developed to estimate the Company's obligation. Accordingly, the following actuarial assumptions are used in the calculation of the total liability:

	31 December 2014	31 December 2013
Discount rate	%3,3	%3,2
Estimated employee turnover rate	%98,91	%99,63

The movements of provision for employment termination benefits are as follows:

	2014	2013
Opening balance-1 January	19.612	18.512
Service cost	2.029	1.747
Interest cost	1.996	752
Payments during the period	(3.962)	(5.528)
Actuarial losses	3.810	4.129
Period-end employment termination benefits	**23.485**	**19.612**

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Service bonus provisions

In accordance with Article 49 of BİST employee regulation, BİST calculates service bonus expense accrual based on the recent benchmark wage rates considering the position and seniority of its employees.

Future implementation of the 63rd article and 5th paragraph of BİST Personnel regulation was ended as of 30 June 2012, and a list was prepared for each staff member employed with indefinite employment contract under BİST by using a coefficient of seniortiy (seniority year is determined by appliying the per diem deduction). Amount specified in this list is paid by at once and net for the termination of the employment contract for any reason except the cases of termination for good reasons until 28 September 2012.

The movements of service bonus provisions are as follows:

	31 December 2014	31 December 2013
Opening balance- 1 January	27.558	35.644
Payments during the period	(8.362)	(8.086)
Period-end service bonus provisions	**19.196**	**27.558**

Unused vacation liability

As of 31 December 2014 and 31 December 2013, details of short-term provisions for employment benefits are as below:

	31 December 2014	31 December 2013
Unused vacation liability	15.905	10.682
Total	**15.905**	**10.682**

In accordance with the Labor Law in Turkey, BİST provides provision for the unused portion of annual paid vacations of the employees with service terms over one year, including the trial period, calculated for the current and prior periods.

The movements of unsued vacation liability are as follows:

	31 December 2014	31 December 2013
Opening balance-1 January	10.682	11.412
Changes during period, net	5.223	(730)
Period-end unused vacation liability	**15.905**	**10.682**

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Note 16 - Other Liabilities

Other current liabilities

As of 31 December 2014 and 31 December 2013, other currents liabilities are as follows:

	31 December 2014	31 December 2013
Deposits and guarantess (*)	2.646.920	2.546.467
Taxes and duties payable	13.082	13.545
Lawsuits provisions	3.859	5.871
Social security premium payables	1.354	1.362
Other	1.611	3.590
Total	**2.666.826**	**2.570.835**

(*) These guarantees have been acquired according to the contracts with members for trading in markets carried of BIST guarantee fund, VIOP, the electricity market, Leveraged Exchange Markets.

Other non-current liabilities

As of 31 December 2014, other non current liabilities consist of deposits and guarantees given amounting to TRY 1.204 (31 December 2013: TRY 1.101).

Note 17 - Shareholder's Equity

Capital

As stated in Article 138 of Capital Markets Law No. 6362, the Articles of Association of Borsa İstanbul Anonim Şirketi have been issued by the Capital Markets Board and registered arbitrarily at the trade registry on 03 April 2013 following the approval of the relevant Minister, and these articles include: the Company's main field of operation, purpose, capital amount, shares, principles on transferring its shares; limitations on liquidation, transfer, merger, termination, public offering, privileges to be granted to shares without being subject to the fourth paragraph of Article 478 of Law No. 6102; organs and committees as well as formation, roles, authorisations and responsibilities, working procedures and principles of those; and principles regarding accounts, distribution of profits and organisation. As stated in the Company's Articles of Association, the Company's initial capital is TRY423,234,000, consisting of 42,323,400,000 bearer shares each of which is equals to one kurus.

Pursuant to the relevant provisions in the Capital Markets Law, 49% of these shares are transferred to Republic of Turkey Prime Ministry Undersecretariat of Treasury, 4% to former IMKB members, 0.3% to former IAB members, and 4.1% to former shareholders of the VOB. 1% of shares will be transferred to the Turkish Capital Markets Association when it is formed according to the Capital Markets Law. The remaining 41.6% of the shares have been left to the Company in order to be transferred to other stock exchanges, markets or system operators in return for technology, technical know-how and competence and/ or the relevant parties in return for establishing strategic partnerships in line with subparagraph c of the sixth paragraph of Article 138 of the Law. Within three years of the promulgation of the Law, the shares, if any, remaining at BİST shall be transferred to the Treasury. Within this period, the benefits from the transferred shares shall be recognised as share issuance premiums. On 7 January 2014, with the strategic partnership agreements, 5% of the shares was transferred to Nasdaq OMX (Note 12).

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014
(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

The Company's shareholding structure as of 31 December 2014 and 31 December 2013 as follows:

	Share (%)	31 December 2014
Republic of Turkey Prime Ministry Undersecretariat of Treasury	49,00	207.385
Borsa İstanbul A.Ş.	36,60	154.904
Nasdaq OMX	5,00	21.162
Turkey Capital Market Board	1,30	4.232
Other	8,10	35.551
Total	**100,00**	**423.234**
	Share (%)	**31 December 2013**
Republic of Turkey Prime Ministry Undersecretariat of Treasury	49,00	207.385
Borsa İstanbul A.Ş.	42,60	180.298
Other	8,40	35.551
Total	**100,00**	**423.234**

Restricted and other reserves

As of 31 December 2014 and 31 December 2013, the details of other reserves are as follows:

	31 December 2014	31 December 2013
Share premiums (*)	136,421	136,421
Capital reserves	171,996	171,996
Total	**308,417**	**308,417**

(*) Share premiums consist of TRY124,003 issued as a result of the agreements signed between BİST and Nasdaq OMX and share premiums accounting to TRY12,418 issued in the course of VOB stock purchases.

The Company signed agreements with Nasdaq OMX ("Nasdaq") to build a comprehensive strategic partnership on 31 December 2013. Within the context of these agreements, Nasdaq will replace all the software underlying the technological infrastructure of the markets within the Company with software packages developed according to Company needs, and will provide the consultancy services needed for the implementation of these technologies for three years. Accordinly, Nasdaq will provide BİST training support for human resources and technological know-how for a wide range of projects from index calculations to marketing.

BİST, which has the ownership and the source code of the said technologies for which competency and know-how will be transferred, is entitled to sell these technologies in 25 countries. Within the framework of the agreement, the payments to be made by BİST to Nasdaq shall be in the form of a) transfer of 5% shares, b) deferred payment or transfer of 2% additional shares, and c) cash payment, which shall be made in instalments. As per provisions of the agreement, 5% of BİST shares was transferred to Nasdaq OMX on 7 January 2014. The additional value arose as a result of these transactions is accounted for under share premiums accounts as of 31 December 2013. Additionaly, BİST and Nasdaq own both options to demand 5% of shares of BİST as of August 2018 in return for 75 million USD. A deferred payment or additional transfer of 2% of BİST shares will become final at the end of 2015. In addition, it is possible for BİST to acquire 2% of shares from Nasdaq by means of a share exchange.

In accordance with Article 138 paragraph 6 of Capital Markets Law 6362, BİST's shares have been given to VOB's shareholders in return for the shares they owned in VOB, at the rate of 0.05. Hereby, as of 3 May 2013, BİST holds 100% of shares of VOB. As a result of purchasing 82% of VOB shares, share premiums accounting to TRY12,418 has been accounted under equity accounts.

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Note 18 - Revenue

For the period ended 31 December 2014 and 31 December 2013, the details of revenue are as follows:

	1 January -31 December 2014	3 April -31 December 2013
Service income	642.108	399.021
Less: Sales discounts	(9.793)	(514)
Net sales	**632.315**	**398.507**
Cost of service given	(71.788)	(51.044)
Gross operational profit	**560.527**	**347.463**
Trading revenues	197.273	131.010
Fixed income - debt securities	*112.303*	*75.602*
Derivatives	*34.104*	*21.929*
Equities - equity market	*28.508*	*14.586*
Takasbank money market	*16.439*	*11.851*
Precious metals and diamond market	*5.345*	*6.899*
Takasbank security lending market	*493*	*109*
Equities - emerging companies market	*76*	*32*
Fixed income - international bonds market	*5*	*2*
Takasbank Interest Income	179.323	90.741
Custody and custody related operating income	74.730	52.011
Security registration fees (Fix-in. OTC)	55.245	39.727
Securities listing income	35.796	9.016
Settlement&clearing income	34.899	24.231
Data vending income	30.685	18.463
Account maintenance fee	11.782	12.787
Terminal fee	6.585	5.217
Money transfer service income	3.125	2.020
Other service income	12.665	13.284
Total	**642.108**	**398.507**

**BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014**
(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Cost of services

For the period ended 31 December 2014 and 31 December 2013, the details of cost of services are as follows:

Takasbank interest expense	40.076	28.776
Personnel expenses	13.232	11.036
Fees and commissions	5.327	3.546
Amortization and accumulated expense	4.804	-
Maintenance and repair expenses	2.360	2.331
Outsourced benefit and services	636	1.324
Other	5.353	4.031
Total	**71.788**	**51.044**

Note 19 - General Administrative Expenses

For the period ended 1 January -31 December 2014 and 3 April - 31 December 2013, the details of general administrative expenses are as follows:

	1 January -31 December 2014	3 April -31 December 2013
Personnel fees and expenses	207.967	141.088
Taxes and other legal dues	15.667	12.118
Depreciation and amortisation expenses	11.368	9.591
Consultancy expenses	6.337	5.518
Travel expenses	6.084	3.487
Maintenance and repair expenses	5.966	4.838
Communication expenses	4.060	3.326
Advertising expenses	3.824	8.413
Outsourced benefit and services	3.445	1.654
Rent expenses	3.366	2.849
Social expenses	3.206	2.831
Insurance expenses	2.722	660
Subcontractor expenses	2.571	1.771
Electricity,water,natural gas expenses	2.330	1.579
Education, culture and publication expenses	629	893
Other expenses	10.768	8.206
Total	**290.310**	**208.822**

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Personel expenses

For the period ended 1 January -31 December 2014 and 3 April-31 December 2013, the details of personel expenses are as follows

	1 January -31 December 2014	3 April -31 December 2013
Gross salaries	80.070	48.516
Salary dependent additional payments	45.545	24.341
Bonus expenses	34.434	15.597
Social benefits	24.116	25.651
Social security employer's contribution expenses	11.793	18.134
Health care expenses	5.466	5.631
Other expenses	6.543	3.218
Total	**207.967**	**141.088**

Expenses by nature

	1 January -31 December 2014	3 April -31 December 2013
Personnel fees and expense	221.199	152.124
Takasbank interest expenses	40.076	28.776
Depreciation and amortisation expenses (Note 10 and Note 11)	16.172	9.591
Taxes and other legal dues	15.667	12.118
Maintenance and repair expenses	8.326	7.169
Consultancy expenses	6.337	5.518
Travel expenses	6.084	3.487
Fees and commisions	5.327	3.546
Outsourced benefit and services	4.081	2.978
Communication expenses	4.060	3.326
Advertising expenses	3.824	8.413
Rent expenses	3.366	2.849
Social expenses	3.206	2.831
Insurance expenses	2.722	660
Subcontractor expenses	2.571	1.771
Electricity,water,natural gas expenses	2.330	1.579
Education, culture and publication expenses	629	893
Other expenses	16.121	12.237
Total	**362.098**	**259.866**

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Note 20 - Other Operating Income / Expenses

Other operating expenses

For the period ended 1 January-31 December 2014 and 3 April - 31 December 2013, other operating expenses are as follows:

	1 January -31 December 2014	3 April -31 December 2013
CMB share provision expenses	47.226	40.194
Provision expenses	278	236
Other	1.337	2.578
Total	**48.841**	**43.008**

Other operating income

For the period between 1 January-31 December 2014 and 3 April - 31 December, other operating income are as follows:

	1 January -31 December 2014	3 April -31 December 2013
Other ordinary income and profits	2.903	711
Collections from doubtful receivables	2.242	300
Increasing of real estate investments	2.000	1.000
Rental income	1.084	732
Gains from sales of fixed assets	450	223
Other operational income	1.611	1.564
Total	**10.290**	**4.530**

Note 21 - Financial Income / Expenses

For the period between 1 January-31 December 2014 and 3 April - 31 December 2013, the details of financial income and expenses as follows:

Financial Income

	1 January -31 December 2014	3 April -31 December 2013
Interest income	21.655	15.545
Interest income from guarantee account	4.052	3.975
Foreign exchange gain, net	-	2.349
Other financial income	802	234
Total	**26.509**	**22.103**

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Financial Expenses

For the period between 1 January - 31 December 2014 the financial expenses amounting to TRY 3.686 TRY 3.337 TRY net foreign loss, TRY 334 commission expenses, TRY 15 interest expenses (3 April - 31 December 2013: TRY 24 commission expense).

Note 22 - Tax Assets And Liabilities

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax is to be declared by the 14th day of the second month following each calendar quarter end and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate.

Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, losses can be carried forward to be offset against future taxable income for up to five years. Losses cannot be carried back in order to net off accumulated gains.

As of 31 December 2014 and 31 December 2013, the details of current tax assets and liabilities are as follows:

	31 December 2014	31 December 2013
Provision for corporate tax	49.641	33.368
Prepaid tax	(33.810)	(22.026)
Taxes payable on income	**15.831**	**11.342**

For the periods ended 31 December 2014 and 31 December 2013, the details of tax expenses in profit or loss are as follows:

	31 December 2014	31 December 2013
Corporate tax expense	49.641	30.834
Deferred tax expense/income	9.580	(5.510)
Total tax expense	**59.221**	**25.324**

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

The total provision for taxes on income is different than the amount computed by applying the statutory tax rate to profit before provision for taxes as shown in the following reconciliation for the period ended 31 December 2014 and 31 December 2013:

	1 January -31 December 2014	3 April -31 December 2013
Profit before taxes	**254.542**	**122.279**
Income tax change at effective tax rate	50.908	24.456
Other	8.313	868
Tax expense	**59.221**	**25.324**

Deferred tax assets and liabilities

The Group and its subsidiaries calculate deferred tax asset and liabilities, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The effective tax rate used for deferred tax assets and liabilities calculated for all taxable differences using the liability method is 20%.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

	31 December 2014		31 December 2013	
	Temporary differences	Deffered taxes	Temporary differences	Deffered taxes
Provision for Capital Markets Board share	47.226	9.445	89.187	17.837
Severance provision	23.485	4.697	19.612	3.922
Provision for service bonuses	19.196	3.839	27.558	5.512
Provision for unused vacation liabilities	15.905	3.181	10.682	2.136
Bonus provision	12.102	2.420	-	-
Carry forward tax losses	-	-	9.140	1.828
Lawsuit provisions and expense accruals	3.859	772	8.577	1.715
Net difference between the tax bases and carrying values of property, plant and equipment and intangibles	(13.366)	(2.673)	(8.178)	(1.636)
Other	861	172	(3.280)	(656)
Deferred tax assets, net	**109.268**	**21.853**	**153.298**	**30.658**

There is no unrecognised deferred tax assets or liabilities.

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

The movements of deferred tax assets during the period are as follows:

	2014	2013
Balance at - 1 January	30.658	24.432
Deferred tax income	(9.580)	5.510
Deferred tax income arising from actuarial losses classified under other compherensive income	775	826
Period end - 31 December	**21.853**	**30.658**

Note 23 - Related Party Disclosures

As of 31 December 2014 and 31 December 2013, the details of long term payables to related parties are as follows:

	31 December 2014	31 December 2013
Nasdaq OMX (Note 12)	68.161	64.029
Total	**68.161**	**64.029**

As of 31 December 2014 and 31 December 2013, the details of short term other receivables from related parties are as follows:

	31 December 2014	31 December 2013
Provision for Capital Markets Board share (*)	87.211	115.506
Due to personnel	3.473	3.607
Total	**90.684**	**119.113**

(*) In accordance with the amendment to the 28th article and (b) section of Capital Markets Legislation published in the Official Gazette dated 25 February 2011 and numbered 27857; the Legislation requires recognition of maximum 10% of the income other than interest income of the stock exchanges in CMB budget. In this respect, BİST has provided provision for CMB share to be paid. The provisions for CMB share provided for 2013, 2012 and 2011 have been paid to CMB as of 19 December 2014, CMB the provision has not requested the payment of the provision for the 2014 yet.

Related party expenses

	1 January -31 December 2014	3 April -31 December 2014
Capital Markets Board (*)	47.226	40.194
Total	**47.226**	**40.194**

(*) In accordance with the amendment to the 28th article and (b) section of Capital Markets Legislation published in the Official Gazette dated 25 February 2011 and numbered 27857; the Legislation requires recognition of maximum 10% of the income other than interest income of the stock exchanges in CMB budget. In this respect, as of 31 December 2014, BİST has provided a provision amounting to TRY 47.226 for the year 2014 and 39.985 for the year 2013 total TRY 87,211 TRY which is 10% of its income other than interest income in its financial statements in relation to the future payment to be made to CMB, and recognised this amount as CMB share expense in the profit or loss (31 December 2013: TRY 115.506).

Key Management Personnel Compensation

For the period ended 31 December 2014, salaries and similar benefits provided to the directors and other members of key management are amounting to TRY 11.305 (31 December 2013: TRY 12.631).

Note 24 - Nature And Level Of Risks Related To Financial Instruments

This note presents information about BİST's exposure to each of the below risks, BİST's objectives, policies and processes for measuring and managing risks. BİST has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

BİST's credit risk is primarily arising from its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables estimated by BİST management based on prior experience and current economic environment.

Market risk

BİST's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates, value of marketable securities and other financial agreements.

Liquidity risk

Liquidity risk is the risk that BİST will encounter difficulty in meeting the obligations as associated with its financial liabilities that are settled by delivering cash or another financial asset. BİST generally generates funds by liquidating its short-term financial instruments such as collecting its receivables. BİST manages its liquidity risk by allocating its resources to obtain adequate reserves for recovering its current and potential liabilities, with time deposits, investment funds and government bond investments.

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

21.1 Credit risk

As of 31 December 2014, credit risk exposure of BİST in terms of financial instruments are as follows:

	Receivables							
	Trade receivables		Other receivables					
31 December 2014	Related party	Other	Related party	Other	Deposits at banks and investment funds	Financial investments (*)	Other	Total
Exposure to maximum credit risk as of reporting date (A+B+C+D+E)	-	207.806	-	-	5.317.593	169.256	-	5.694.655
Guaranteed part of maximum credit risk with collaterals etc	-	-	-	-	-	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	-	207.806	-	-	5.317.593	169.256	-	5.694.655
B. Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired	-	-	-	-	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired	-	-	-	-	-	-	-	-
D. Net carrying value of impaired assets	-	-	-	-	-	-	-	-
- Overdue (Gross book value)	-	2.018	-	-	-	-	-	2.018
- Impairment	-	(2.018)	-	-	-	-	-	(2.018)
- Guaranteed part of net value with collaterals	-	-	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-	-	-
- Impairment	-	-	-	-	-	-	-	-
- Guaranteed part of net value with collaterals	-	-	-	-	-	-	-	-
E. Off statement of financial position items with credit risk	-	-	-	-	-	-	-	-

(*) Investments in equity participations are not included.

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

As of 31 December 2013, credit risk exposure of BİST in terms of financial instruments are as follows:

	Receivables							
	Trade receivables		Other receivables					
31 December 2013	Related party	Other	Related party	Other	Deposits at banks and investment funds	Financial investments (*)	Other	Total
Exposure to maximum credit risk as of reporting date (A+B+C+D+E)	-	312.208	-	-	5.316.463	314.879	-	5.943.550
Guaranteed part of maximum credit risk with collaterals etc								
A. Net carrying value of financial assets which are neither impaired nor overdue	-	312.208	-	-	5.316.463	314.879	-	5.943.550
B. Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired	-	-	-	-	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired	-	-	-	-	-	-	-	-
D. Net carrying value of impaired assets	-	-	-	-	-	-	-	-
- Overdue (Gross book value)	-	2.012	-	-	-	-	-	2.012
- Impairment	-	(2.012)	-	-	-	-	-	(2.012)
- Guaranteed part of net value with collaterals	-	-	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-	-	-
- Impairment	-	-	-	-	-	-	-	-
- Guaranteed part of net value with collaterals	-	-	-	-	-	-	-	-
E. Off statement of financial position items with credit risk	-	-	-	-	-	-	-	-

(*) Investments in equity participations are not included.

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

21.2 Liquidity risk

Liquidity risk is BİST's default in meeting its net funding liabilities. Events causing a decrease in funding resources such as; market deteriorations or decrease in credit ratings are major reasons of liquidity risk. BİST manages its liquidity risk by allocating its resources to obtain adequate reserves for recovering its current and potential liabilities by holding appropriate level of cash and cash equivalents.

The table below represents the gross amount of un-discounted cash flows related to non-derivative financial liabilities based on the remaining maturities as of 31 December 2014 and 31 December 2013:

31 December 2014	Contructual cash flows	Cash out flows	Up to 3 mounths	3-12 months	1-5 year
Current liablities					
Short term borrowings	1.772.277	1.772.922	1.772.922	-	-
Trade and other payables	175.137	175.137	175.137	-	-
Debts to afficialities	84.395	84.395	84.395	-	-
Total short term liabilities	**2.031.809**	**2.032.454**	**2.032.454**	**-**	**-**
Non-current liabilities					
Debts to afficialities	68.161	69.567	-	-	69.567
Total non-current liabilities	**68.161**	**69.567**	**-**	**-**	**69.567**
Total Liabilities	**2.099.970**	**2.102.021**	**2.032.454**	**-**	**69.567**

31 December 2013	Contructual cash flows	Cash out flows	Up to 3 mounths	3-12 months	1-5 year
Current liablities					
Short term borrowings	2.242.719	2.243.501	2.032.732	-	-
Trade and other payables	90.051	90.051	90.051	-	-
Debts to afficialities	119.113	119.113	119.113	-	-
Total short term liabilities	**2.451.883**	**2.452.665**	**2.241.896**	**-**	**-**
Non-current liabilities					
Debts to afficialities	64.029	70.645	-	-	70.645
Total non-current liabilities	**64.029**	**70.645**	**-**	**-**	**70.645**
Total Liabilities	**2.515.912**	**2.252.310**	**2.241.896**	**-**	**70.645**

21.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect BİST's income or the value of its holdings of financial instruments. BİST manage market risk by balancing the assets and liabilities exposed to the interest rate change risk.

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Foreign currency risk

BİST is exposed to foreign currency risk due to the changes in foreign exchange rates while having assets, liabilities or off statement of financial position items denominated in foreign currencies.

The foreign exchange rates used by BİST for translation of the transactions in foreign currencies as of 31 December 2014 and 31 December 2013, are as follows:

	31 December 2014	31 December 2013
USD	2,3189	2,1343
EUR	2,8207	2,9365

The table below summarizes the foreign currency position risk of BİST. As of 31 December 2013 and as of 31 December 2014, carrying value of assets and liabilities held by BİST in foreign currencies (in TRY equivalent) are as follows.

31 December 2014

Assets	Currency	Amount	Fx rate	TRY Amount
Cash and cash equivalents	USD	619.266	2,3189	1.436.016
Cash and cash equivalents	EUR	151.857	2,8207	428.342
Financial investments	EUR	326	2,8207	920
				1.865.278
Liabilities				
Short term borrowings	USD	380.509	2,3189	882.363
Short term borrowings	EUR	145.906	2,8207	411.557
Due to related parties	USD	29.394	2,3189	68.161
Other short term liabilities	USD	227.780	2,3189	528.200
Other short term liabilities	EUR	5.532	2,8207	15.603
				1.905.884
Net Foreign Currency Position				**(40.606)**

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014
(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

31 December 2013

Assets	Currency	Amount	Fx rate	TRY Amount
Cash and cash equivalents	USD	557.166	2,1343	1.189.160
Cash and cash equivalents	EUR	276.625	2,9365	812.309
Financial investments	EUR	115	2,9365	339
				2.001.808

Liabilities	Currency	Amount	Fx rate	TRY Amount
Short term borrowings	EUR	275.612	2,9365	809.335
Trade payables	USD	358.325	2,1343	764.774
Due to related parties	USD	30.000	2,1343	64.029
Other short term liabilities	EUR	842	2,9365	2.474
Other short term liabilities	USD	197.220	2,1343	420.927
				2.061.539
Net Foreign Currency Position				**(59.731)**

Exposure to foreign currency risk

A strengthening/weakening of the TRY by 10% against the other currencies below would have increased/ (decreased) the equity and profit/loss (excluding the tax effect) for the period ended 31 December 2014 and 31 December 2013:

Foreign exchange sensitivity analysis table

	Profit / (Loss)		Shareholder's equity	
31 December 2014	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
Increase/(decrease) 10% of USD parity				
1- USD net asset / liability	(4.271)	4.271	(4.271)	4.271
2- Hedged portion of USD amounts(-)	-	-	-	-
3- Net effect of USD (1+2))	**(4.271)**	**4.271**	**(4.271)**	**4.271**
Increase/(decrease) 10% of EURO parity				
4- EURO net asset / liability	210	(210)	210	(210)
5- Hedged portion of EURO amounts(-)	-	-	-	
6- Net effect of EURO (4+5)	**210**	**(210)**	**210**	**(210)**
TOTAL (3+6)	**(4.061)**	**4.061**	**(4.061)**	**4.061**

BORSA İSTANBUL A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Foreign exchange sensitivity analysis table

	Profit / (Loss)		Shareholder's equity	
31 December 2013	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
Increase/(decrease) 10% of USD parity				
1- USD net asset / liability	(6.057)	6.057	(6.057)	6.057
2- Hedged portion of USD amounts(-)	-	-	-	-
3- Net effect of USD (1+2))	**(6.057)**	**6.057**	**(6.057)**	**6.057**
Increase/(decrease) 10% of EURO parity				
4- EURO net asset / liability	84	(84)	84	(84)
5- Hedged portion of EURO amounts(-)	-	-	-	
6- Net effect of EURO (4+5)	**84**	**(84)**	**84**	**(84)**
TOTAL (3+6)	**(5.973)**	**5.973**	**(5.973)**	**5.973**

Interest rate risk

BİST is exposed to interest rate risk due to effects of the changes in market interest rates on the interest rate sensitive assets and liabilities.

BİST's interest rate sensitive financial instruments' allocation as of 31 December 2013 and 31 December 2014 are presented below:

	31 December 2014	31 December 2013
Financial instruments with fixed interest rate Financial assets		
Bank deposits	5.269.057	4.943.619
Reverse repo receivables	24.786	16.099
Assets held-to-maturity	169.256	313.270
Trading investments	-	1.609

Interest sensitivity analysis of assets:

BİST's investment in fixed-rate debt securities classified as financial assets available-for-sale are exposed to price risk depending upon interest rate changes in the market. As of 31 December 2013, based on the analysis calculated by BİST, if the interest rate for TRY was increased/decreased by 100 bp with the assumption of keeping all other variables constant, the effects on the fair value of fixed income financial assets because of being at term less than 3 months and the effect on other comprehensive income are as follows.

21.4 Operational risk

Operational risk is the risk remaining after determining financing and systematic risk, and includes risks resulting from internal processes, employees, technology and infastructure. Operational risk that summarises the risks a company or firm undertakes when it attempts to operate within a given field or industry.

BİST manages its operational risks to avoid financial losses. In this respect, BİST has identified processes and controls with respect to the below issues;

- Appropriate task distribution with transactions' independent responsibility,
- The reconciliation and control of operations,
- Compliance with statutory obligations and other regulators,
- Documentation of processes and controls,
- Periodical assessment of encountered operational risks and the adequacy of generated controls and procedures to meet scheduled risks,
- Development of emergency plans,
- Education and professional development,
- Ethics and business standards,
- Effective risk reduction measures by the possibility of including insurance.

Note 25 - Financial Instruments

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

Fair value of financial assets and liabilities has to be determined for accounting policies and/or presentation of notes.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate fair value.

Financial assets

It is estimated that the fair values and carrying amounts of the bank deposits, trade and other receivables are close to each other, since they have short term maturities.

Investment funds and securities measured at fair value are valued using the market prices available at the reporting date.

Financial liabilities

It is estimated that the fair values and carrying amounts of the financial liabilities, trade payables and other liabilities are close to each other due to their short term maturities.

(Amounts expressed in thousand Turkish Liras ("TRY") unless otherwise indicated.)

Classification relevant to fair value information

The table below analyses financial instruments carried at fair value, by the levels in the fair value hierarchy. The different levels have been defined as follows:

Level 1: Registered (unadjusted) prices of identical assets or liabilities in active markets;

Level 2: Data which can be observed by directly (through prices) or indirectly (derived from prices) and which excludes the registered prices described in Level 1;

Level 3: Data that is not based on observable market data related to assets and liabilities (non-observable data).

The classification of fair value measurements of financial assets and liabilities measured at fair value is as follows:

31 December 2014	1. Level	2. Level	3. Level	Total
Cash and cash equivalents:	-	-	-	-
Investment funds	551	-	-	551
Financial investments:				
Investment properties	-	12.500	-	12.500
Total financial assets	**551**	**12.500**	**-**	**13.051**

31 December 2014	1. Level	2. Level	3. Level	Total
Cash and cash equivalents:				
Investment funds	724	-	-	724
Financial investments:				
Goverment bonds	1.609	-	-	1.609
Investment properties	-	10.500	-	10.500
Total financial assets	**2.333**	**10.500**	**-**	**12.833**

Financial assets available for sale which are affiliates of the Group, have been accounted for making use of cost value.

Note 26 - Subsequent Events

i) Board Chairman and General Manager of BİST, İbrahim Turhan had resign at 10 February 2015, CFO and Executive Vice President Hüseyin Zafer had been appointed to Deputy General Manager by the Board decision.

ii) The Group had increased its share in İstanbul Gemoloji Enstitüsü San. ve Tic. A.Ş. from 2% to 51% with share acquisition worth TRY 50 at 30 January 2015.

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