

2012 ANNUAL REPORT

2012

A YEAR OF CHANGE AND INVESTMENT



Benchmark for Investment!



**BORSA
İSTANBUL**

borsaistanbul.com

2012

**A YEAR OF
CHANGE AND
INVESTMENT**



**BORSA
İSTANBUL**

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The oldest known securities exchange of the world was



Kütahya

Aizanoi - Coshakisar

The oldest known securities exchange of the world was born here. The first gold coin was printed here, and the first futures contracts were traded here.

Silk Road and Spice Trade Route

Has been the meeting point of trade route for centuries.

Grand Bazaar

The world's first organized shopping mall.

born on this land, and trade flourished on this land.



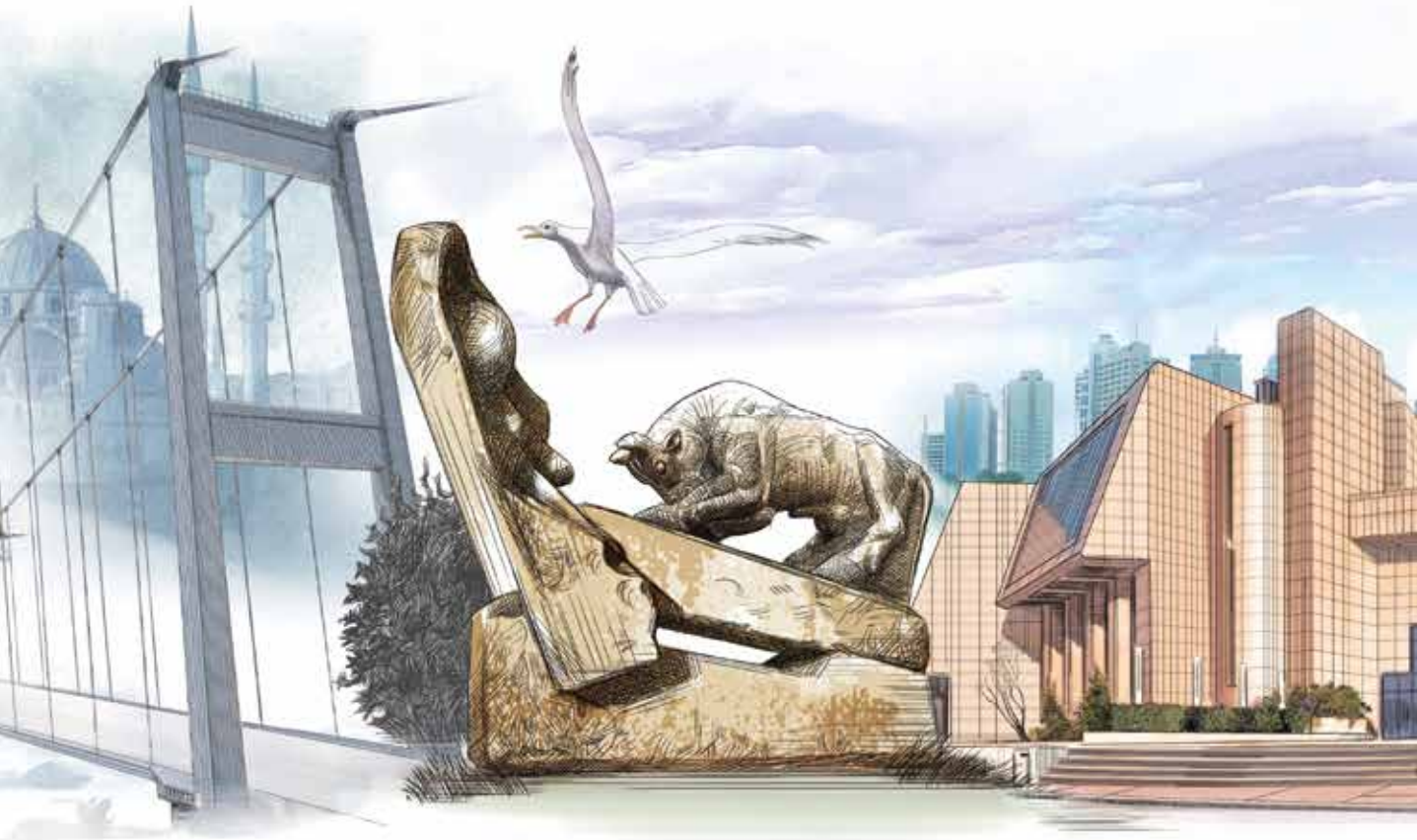
Jalata

140 years ago, the heart of finance beat in Dersaadet Tahvilat Borsası (bonds market).

İmkb

Established in 1985, Istanbul Menkul Kıymetler Borsası ensured the development of the Turkish capital markets.

Borsa İstanbul will become the rising a



...and Borsa İstanbul

All exchanges of Turkey are now under a single

Regional Center of Attraction: Global cooperation opportunities through regional partnerships, strategic cooperation and Listing Istanbul

An Efficient, Effective Exchange: Efficient price discovery, high liquidity, high traded value and strong technological infrastructure

An Exchange with Social Responsibility: IMKB schools have offered education facilities for 650,000 students at 415 schools in 74 cities in 15 years.

A Single Exchange: An Exchange that will merge the energy, commodities and metal markets under a single roof, in addition to TURKDEX and Istanbul Gold Exchange.

A Leading Exchange in terms of Sustainability: Index and BIST Sustainability Index pr

Heart of Finance: Rising star of Istanbul

An Exchange Full of Investment Opportunities: in different markets including Futures Market, Precious Metals and Precious

A Financial Supermarket: A wide range of products including bonds, bills, lease certificates, repo, derivatives and indices.

value of the financial world.



roof

Sustainability: BIST Corporate Governance
Projects.

bul International Financial Center.

Opportunities: Investment opportunities
in Options Market, Debt Securities
Gems Market.

range of products and services including
derivative products, different investable



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Benchmark for Investment!

JANUARY 1

İMKB's new Board consists of Chairman & CEO İbrahim M. Turhan Ph.D., appointed by a tripartite decree, Board Members Abdülkerim Emek, Burhanettin Aktaş, and Osman Akyüz, in addition to Mehmet Osmanoğlu, İlhami Koç and Cavidan Konuralp elected by İMKB General Assembly on November 29, 2011.

Free Trade Platform is launched.



JANUARY



JANUARY 19

Deputy Prime Minister Ali Babacan pays a visit to İMKB, wishing success to the new management team.

MARCH 2

Closing session trading is introduced.

MARCH 12

A financial information portal entitled "Conscious Investor" (in Turkish) was launched at www.bilinciyatirimci.org.



MARCH



MARCH 15

The fee for the registration of transactions realized by İMKB for the accounts of intermediary institutions whose operations are suspended or terminated is determined as "0".

A legal stipulation is made, terminating the requirement on the side of the account holder intermediary institution to give notice to İMKB for the registration of the trades realized by İMKB for its account during the time its operations are suspended or terminated.

APRIL



APRIL 30

Berkosan Yatırım ve Ticaret Maddeleri Üretim ve Ticaret A.Ş., operating in the isolation sector, and the first company of the Emerging Companies Market, is transferred to the Second National Market. Therefore, the equities of a company traded on the Emerging Companies Market are accepted to the Equity Market for the first time.

MAY 4

A Memorandum of Understanding is signed with the Macedonian Stock Exchange to strengthen cooperation.

MAY 7

IPO Index starts to be calculated.



MAY



MAY 10

The first company of the Free Trade Platform starts to trade.

MAY 25

Eurasian Investors Summit, hosted by İMKB and the Federation of Euro-Asian Stock Exchanges (FEAS) is held at Lütfi Kırdar Congress and Exhibition Center.

JUNE 21

A Memorandum of Understanding is signed with the Casablanca Stock Exchange to strengthen cooperation.

JUNE 22

A Memorandum of Understanding is signed with the Egyptian Exchange to strengthen cooperation.



JUNE



JUNE 25

An index entitled "S&P OIC COMCEC 50 Shariah Index", aimed at adding to the visibility of Organization of the Islamic Conference (OIC) countries' capital markets and strengthening the cooperation among the member exchanges is launched as a result of the joint efforts of the OIC States' Stock Exchanges Forum and S&P Indices.

JULY 16

Second session trading hours are changed.

JULY 22-26

İMKB is a platinum sponsor for the Game Theory Society 4th World Congress hosted by Bilgi University.



JULY



JULY 23

For warrants, the last trading day is differentiated from the end of maturity.

JULY 25

As part of the Game Theory Society 4th World Congress, a conference with the participation of Eric Maskin and Roger Myerson, 2007 Nobel Laureates in Economics, and Prof. Bernhard Von Stengel is held.

JULY 26

Fiber-optic connection facility offered for access to the markets.

SEPTEMBER 3

Measures on Investor Basis System are introduced.

SEPTEMBER 6

Istanbul Gathering of Asian Stock Exchanges is hosted by İMKB at Çırağan Palace, honored by Deputy Prime Minister Ali Babacan.



SEPTEMBER



SEPTEMBER 6

Memorandum of Understanding are signed with the Singapore Stock Exchange and Toshkent Republican Exchange to strengthen cooperation.

SEPTEMBER 10

The first discounted certificates start trading.

SEPTEMBER 11

Lease certificates start trading on the Debt Securities Market and are accepted as trading limit collateral; the settlement period for foreign currency paying capital markets instruments is shortened; and Repo Market for Specified Securities risk management is converted to a more dynamic structure.



SEPTEMBER



SEPTEMBER 12

Anadolu Agency (AA) financial news terminal is introduced at İMKB.

SEPTEMBER 21

Lease certificates issued by the Treasury Undersecretariat are introduced at İMKB for the first time.

SEPTEMBER 24

A Memorandum of Understanding is signed with the Bahrain Exchange to strengthen cooperation.

SEPTEMBER 24-25

3rd İstanbul Financial Summit is held at Ceylan Intercontinental Hotel under İMKB's gold sponsorship.



SEPTEMBER



SEPTEMBER 26

First Turbo Certificates start trading.

SEPTEMBER 28

A "Cooperation Agreement" is signed with the Vienna Exchange for calculation and dissemination of market capitalization weighted indices of İMKB-traded companies.

OCTOBER 6-7

Central and Eastern European Exchanges Sports Tournament is hosted by İMKB in Manavgat, Antalya.



OCTOBER



OCTOBER 10

İMKB becomes a member of Intermarket Surveillance Group (ISG).

OCTOBER 13

Members' connection speed to the Equity Market is increased to 2 Mbps.

OCTOBER 15

Maximum TL and maximum quotation amounts for orders are increased to, respectively, TL 3 million and 500,000 lots. İMKB is re-elected as WFE Board Member.

OCTOBER 31

IPO Campaign İzmir Summit is held.

NOVEMBER 15-16

Atlantic Council Energy and Economic Summit 2012, of which İMKB is a global partner, is held at Swissotel by the Atlantic Council.



NOVEMBER



NOVEMBER 16

Turkish-Arab Capital Markets Forum (TAF-CM) is held at Four Seasons Bosphorous Hotel by AI-İktisad Wal-Aamal Group (AIWA), hosted by İMKB, in cooperation with the Capital Markets Board and honored by Finance Minister Mehmet Şimşek.

A Memorandum of Understanding is signed with the Libyan Stock Exchange to strengthen cooperation.

NOVEMBER 20

Halk Bank's secondary public offering worth of TL 4.5 billion, the largest public offering of Turkey and the Turkish stock market, is realized.

NOVEMBER 21

Registration process for Borsa İstanbul A.Ş.'s trademarks with the Turkish Patent Institute start.



NOVEMBER



NOVEMBER 23

İMKB-traded companies start sending Rights Exercise Notifications to PDP.

DECEMBER 3

Equity Repo Market starts to operate.

ExAPI order transmission fees are discounted, and capacity limit-free ExAPI application is initiated.

Fees applied in cases of order cancellation at current price levels, price worsening and quantity decrease are differentiated.

The obligation to establish a separate remote access spot for extra capacity usage in the Equity Market, located at a different spot from that of the first one, is terminated.



DECEMBER



DECEMBER 5

Maximum lot amount and methods for determining the same are changed.

DECEMBER 6

İMKB signs an agreement with NYSE Liffe, NYSE Euronext's European Derivatives Market, for the cross-listing of the single stock future and option contracts on the equities included in İMKB 30 Index and on İMKB 30 Index.

DECEMBER 8

Front running, that is, engaging in a trade on the basis of information on an upcoming order of a large quantity, envisaged in the "Regulation on İstanbul Menkul Kıymetler Borsası Membership and Membership Principles" published in the Official Gazette dated December 8, 2012, goes in force as the first arrangement made on this subject.

Membership entry fee and annual membership fee structures are changed, and fees are re-determined on the basis of the markets and sub-markets on which the member operates.



DECEMBER



DECEMBER 19

İMKB sponsors the 11th Industry Congress and Innovation Fair organized by İstanbul Chamber of Industry as strategic partner.

DECEMBER 20

İMKB organizes a meeting aimed at the representatives of the tourism sector on the opportunities to raise funds from the capital markets, public offering, and being traded on İMKB at İMKB Conference Hall.

DECEMBER 21

İMKB Futures & Options Market (VIOP) starts to operate. At the first stage, single stock futures and options start trading on VIOP.



DECEMBER



DECEMBER 27

Turkish Exchange celebrates its 139th anniversary, and on this occasion, an exhibition entitled "Turkish Capital Markets from the Ottoman Era to the Republic" opens at İMKB Foyer. İMKB Chairman & CEO İbrahim M. Turhan Ph.D. presents plaques to staff that retired from İMKB in 2012, and to İMKB staff and brokers that completed 20 years of service.

DECEMBER 30

In line with article 138 of the new Capital Markets Law no. 6362 published in the Official Gazette dated December 30, 2012, the legal personalities of İstanbul Menkul Kıymetler Borsası and İstanbul Gold Exchange are terminated upon the registration of Borsa İstanbul A.Ş.'s articles of incorporation, and both companies are transferred to the latter. Within this framework, Turkish Derivatives Exchange (TURKDEX) operations will be transferred to Borsa İstanbul Futures & Options Market.

Borsa Istanbul Benchmark for Investment!

The new, effective, transparent, technological, easily accessible trading venue rises in line with Turkey's high growth potential and international standards.

Istanbul Stock Exchange, Turkish Derivatives Exchange, Istanbul Gold Exchange together with new energy, commodity products and services are combining their power under a single roof; Borsa Istanbul.

Borsa Istanbul is ready to create versatile international partnerships with leading institutional investors.
Meet the new efficient power of the future.





İBRAHİM M. TURHAN Ph.D.
CHAIRMAN AND CEO

Message from the Chairman & CEO

2012 has been a year during which the foundations of the path leading to ambitious targets were set.

The demutualization process of Borsa İstanbul has been completed following the enactment of the new Capital Markets Law. İstanbul Menkul Kıymetler Borsası, İstanbul Gold Exchange and the Turkish Derivatives Exchange (TURKDEX) merged under the roof of Borsa İstanbul, making it a platform where a wide variety of assets from equities to contracts written on energy and other commodities, and from debt instruments to derivative products are traded.

Consequently, Borsa İstanbul will continue to march towards more ambitious targets for Turkey.



**BORSA
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Greetings,

First of all, I would like to express that I am proud to greet you with our new identity, as Borsa İstanbul. Last year, Turkish capital markets witnessed radical changes and conversions, and in accordance with the new Capital Markets Law that went in force at end-2012, long-planned radical changes on the Exchange's corporate structure were realized. As required by the Law, the Exchange's demutualization process was completed, and İstanbul Menkul Kıymetler Borsası, İstanbul Gold Exchange and the Turkish Derivatives Exchange (TURKDEX) merged under the roof of Borsa İstanbul, making it a platform where a wide variety of assets from equities to contracts written on energy and other commodities, and from debt instruments to derivative products are traded. This conversion, aimed at achieving the targets envisaged in İstanbul International Financial Center (IIFC) project and adding to Borsa İstanbul's efficiency, will, I believe, further strengthen the Turkish capital markets.

The world economy continued to suffer from the effects of the global financial crisis in 2012, with the growth rate remaining at 3.1 percent, compared to the nearly 4 percent 2011. International Monetary Fund (IMF) estimates that the global economic stagnation will continue in 2013 and 2014, with the global economy growing at a rate of 3 to 4 percent.

The growth rate of developed countries at 1.7 percent in 2011 dropped to 1.2 percent in 2012. While the US economy's growth was slightly higher compared to 2011, standing at 2.2 percent in 2012, the Euro Region's narrowing of 0.6 percent shows that pressures on the global economy stemming from developed countries will continue for a while. IMF estimates that the US economy will grow at 1.7 percent and 2.7 percent in, respectively, 2013 and 2014 while the narrowing in the Euro Region is estimated to continue in 2013 and recovery will not start before 2014.

Growth in developing economies, the impulsive force behind global growth, stood at around 6.2 percent in 2011, while it fell to 5 percent in 2012. Especially the Chinese economy grew at merely 7.8 percent in 2012, followed by the growth rate of 9.3 percent in 2011. The economic growth rates for developing countries for 2013 and 2014 are estimated at, respectively, 5 percent and 5.5 percent. All of these figures point to the fact that the effects of the global crisis still continue, and it will not be easy for central banks, and particularly the American Federal Reserve Bank (Fed) to put an end to the expansionary policies that they have been implementing.

In such a global business cycle, the Turkish economy grew at a rate of 2.2 percent in 2012, slowing down compared to its high performance in 2010 and 2011. Turkey's credit rating was increased to investment grade by prominent credit rating agencies at end-2012 and the first five months of 2013.

Problems in the global economy continued to affect the financial markets, with the total equity traded value of the World Federation of Exchanges (WFE) member exchanges falling by 22 percent in US\$ terms in 2012. During the same period, Borsa İstanbul Equity Market's traded value stood at US\$ 348 billion, while the market capitalization increased from US\$ 202 billion to US\$ 310 billion. Our main index, namely İMKB 100 Index, appreciated by 53 percent and nearly 62 percent on respectively, Turkish Lira and US Dollar basis in 2012, ranking first among the world's investable exchanges. 26 companies were offered to the public in 2012, raising total funds of US\$ 2.9 billion in primary and secondary public offerings. Debt Securities Market traded value, on the other hand, increased by 65.78 percent compared to 2011, from US\$ 2.5 trillion to US\$ 3.8 trillion. Through 240 debt securities issued by private companies, funds totaling US\$ 23.5 billion were raised.

The year witnessed significant developments with regard to the upgrading of our technological infrastructure, with important hardware investments. Thereby, order processing capacity was increased from 2,500 orders per seconds to 5,000, while order processing capacity was increased significantly. Through introducing the closing session, we also took steps to ensure that price discovery is realized in a healthier environment. Similarly, we made important investments to improve the human resources in information systems. We initiated strategic partnership discussions with the world's most important technology provider exchanges in order to change the technological infrastructure entirely and launch a trading platform up to the world standards. Our efforts gave fruit and we signed a pre-agreement on strategic partnership based on technology providing with NASDAQ OMX on July 3, 2013. With this agreement, in addition to spot market instruments, the infrastructure will allow trading of numerous financial instruments denominated in various currencies, including derivatives, contracts written on commodities and energy, and trading services will be provided in more than one language. By the same token, our settlement, risk management and surveillance systems will be harmonized with those of the world's leading exchanges. The agreement allows us to make modifications on the software provided, which is a crucial step in training staff capable of developing trading systems for the Turkish capital markets. The agreement will make us part of the global exchanges network, making a significant contribution to our trademark value.

In addition to our technology investments, we continued to work on improving the product diversity in our markets. We launched the Precious Metals and Precious Gems Market as well as the Futures & Options Market. We introduced single stock futures and options at end-2012, and index based contracts in April 2013. Work aimed at migration of the contracts traded on TURKDEX to our markets was completed in August 2013. On the other hand, certificates, aimed at fulfilling the expectations of investor groups with different risk and yield preferences were introduced and Equity Repo Market was launched in 2012.

"Lease certificates", Islamic financial products that became highly popular all over the world following the financial crisis, were also introduced.

A major aim of Borsa İstanbul is to increase the number of companies traded. Efforts towards this aim intensified in 2012. The third initial public offering summit, followed by those held in İstanbul and Bursa, and bringing together unlisted companies, intermediary institutions, domestic and foreign funds, independent audit firms and law firms was held in İzmir on October 31, 2012. Public offering seminars were organized in seven cities during the year, while visits were paid to 180 companies included in İstanbul Chamber of Industry's largest 500 companies in order to raise awareness on public offering. Furthermore, a project under the title Listing İstanbul was initiated in 2013 to encourage foreign companies to start trading on Borsa İstanbul in addition to domestic companies, and conferences aimed at companies and investors were held in Malaysia, Singapore and Azerbaijan.

As the main actor of İstanbul International Financial Center project, Borsa İstanbul continued to take further steps regarding cooperation with other international exchanges in 2012. As one of the most active members the World Federation of Exchanges (WFE), Federation of Euro-Asian Stock Exchanges (FEAS), and Federation of European Securities Exchanges (FESE), Borsa İstanbul signed Memoranda of Understanding with Macedonia, Tashkent, Casablanca, Tunis, Bahrain, Egypt and Libya stock exchanges to strengthen cooperation. Efforts for cross-listing of exchange traded funds with Tokyo and Korea exchanges continued throughout the year, while the work on establishing market connectivity with the Egyptian Exchange initiated in 2012 is near completion.

2012 has been a year during which the foundations of the path leading to ambitious targets were set. This is the last annual report covering İMKB's activities. Starting from the next year, we will salute you as Borsa İstanbul, and the annual report will reflect the activities of our new markets as well. We will continue to work in perseverance and determination with our esteemed stakeholders and staff to carry Borsa İstanbul to the rank it deserves among the world exchanges.

Sincerely,



İBRAHİM M. TURHAN Ph.D.
Borsa İstanbul
Chairman & CEO

BOARD, AUDITING COMMITTEE*

Murat TACİR (1)

Member of the Auditing Committee

Mehmet OSMANOĞLU (2)

Member of the Board

Cavidan KONURALP (3)

Member of the Board

Osman AKYÜZ (4)

Deputy Chairman of the Board

İbrahim M. TURHAN Ph.D. (5)

Chairman & CEO

Abdülkerim EMEK (6)

Member of the Board

İlhami KOÇ (7)

Member of the Board

Burhanettin AKTAŞ (8)

Member of the Board

Hakan DEMİRBİLEK (9)

Member of the Board

* Term of office ended on April 3, 2013



**BORSA
İSTANBUL**



(1)

(2)

(3)



(4)

(5)

(6)

(7)

(8)

(9)

TOP MANAGEMENT

Saim KILIÇ Ph.D. (1)*
Chief Regulatory Officer

İbrahim KURBAN (2)*
Senior Vice President

Mustafa BALTACI (3)
Executive Vice President

İbrahim M. TURHAN Ph.D. (4)
Chairman & CEO

Associate Professor Mustafa Kemal YILMAZ (5)
Executive Vice President

Ali ÇÖPLÜ (6)
Executive Vice President

Aydın SEYMAN Ph.D. (7)
Executive Vice President

Adalet POLAT (8)*
Executive Vice President

*Term of office ended during 2012-2013 period.



(1)

(2)

(3)



**BORSA
İSTANBUL**



(4)

(5)

(6)

(7)

(8)

**ARBITRATION
COMMITTEE****Semih ÇETİN (1)**

Chairman

Fatma SELÇUK (2)

Member

Orhan Serdar ATALAY (3)

Member



(1)

(2)

(3)



DISCIPLINARY COMMITTEE

Murat ÇETİNKAYA (1)
Member

Bedii ENSARİ (2)
Chairman

O. Sencer TANRIVERDİ (3)
Member



The Process Leading from the World's First Securities Exchange to Borsa İstanbul within the Framework of the New Capital Markets Law

World's first securities exchange was established on this land, in Çavdarhisar, Kütahya. In a short while, the Silk Road and Spice Trade Route became the financial center of the Mediterranean Region. This route finally crossed İstanbul, and thereby, the wealth of the East was transferred to the West, through this city where two continents meet.

In the 19th century, Galata started to rise as the financial center of the Ottoman Empire, and Dersaadet Tahvilat Borsası (bonds market) became the financial heart of the country, by a set of regulations enacted in 1906.

By virtue of the Law no. 1447 dated 1929, the title of the Exchange became "İstanbul Menkul Kıymetler Kambiyo ve Nükud Borsası" (İstanbul Securities, Foreign Currency and Cash Market).

In 1981, Capital Markets Law was promulgated. Governmental Decree in Force of Law on Securities Market, no. 91, enacted in 1983 annulled the Law no. 1447. In accordance with İstanbul Menkul Kıymetler Borsası Regulations" dated December 1985, exchange transactions were initiated on January 3, 1986.

Finally, the new Capital Markets Law no. 6362 dated December 30, 2012 was published in the Official Gazette and in line with article 138 of the said Law, Borsa İstanbul A.Ş. was founded on the day the Law went in force.

The exchanges operating in the Turkish capital markets merged under Borsa İstanbul, whose articles of incorporation was prepared by the Capital Markets Board, and upon approval of the related Minister, it received an operation permit upon being registered on April 3, 2013.

Therefore, 140 years following the appointment of Abidin Pasha as the first official exchange commissary in 1873, İMKB, İstanbul Gold Exchange and TURKDEX merged their forces under Borsa İstanbul.

Borsa İstanbul under the Light of the New Capital Markets Law no. 6362

Two basic laws, namely Capital Markets Law and the Turkish Commercial Code, define the legal framework of the Turkish capital markets. Capital Markets Board's communiqués and regulations of the Exchange shed light on implementation.

In an effort to harmonize the Turkish capital markets regulation with the EU acquis and improve the integration of the Turkish capital markets with the global markets and enhance competitiveness thereof, Turkish law maker has enacted the Capital Markets Law No. 6362 as a reform making law, bringing about not only liberalization of the activity of running organized markets, but also re-structuring and re-branding of İMKB as Borsa İstanbul. According to the new Law, exchanges are stipulated as legal persons subject to private law, established subject to the permission of the Council of Ministers upon the affirmative opinion of the Capital Markets Board, for trading capital markets instruments, foreign currency, precious metals, precious gems, and other contracts, documents and assets approved by the Capital markets Board of Turkey, in a reliable, transparent, efficient, stable, fair and competitive environment.

Borsa İstanbul is subject to private law, and without prejudice to the provisions envisaged in the Capital Markets Law, it independently fulfills and utilizes the duties and authorizations envisaged by Law, under its own responsibility. Borsa İstanbul determines its budget and staff through the bodies stipulated in its articles of incorporation. Article 65 of the Capital Markets Law no. 6362 regulates that neither Borsa İstanbul's partners and participations nor market operators are subject to the provisions, limitations and practices related to public management or companies, businesses, enterprises or organizations with public capital, on administrative and financial matters. Borsa İstanbul is a self-regulatory institution with regard to the subjects and fields under its authority.

From İstanbul Menkul Kıymetler Borsası to Borsa İstanbul

BORSA İSTANBUL...



**BORSA
İSTANBUL**

Benchmark for Investment!

GLOBAL MARKETS AND TURKEY

53%↑

İMKB 100
Index

42%↑

MSCI
Developed

The US outlook was better in 2012 thanks to the contribution of the Fed's expansionary policy.

The global economy grew at a slower pace in 2012 compared to the previous year, after the recovery process that followed the global crisis. While the US recovered relatively strongly compared to 2011, this performance nevertheless fell short of the desired level to create employment. As the debt crisis in the Euro Region was aggravated by Greece and Spain, IMF, World Bank, European Central Bank, OECD, etc. were forced to make a downward adjustment in their expectations for the global economy growth rate. After narrowing in the last three quarters of 2012 owing to the crisis, Euro Region's economy entered a recession period. While the emerging markets' growth performance picked up the global performance in the year 2011, due to the slower growth of emerging markets and the Euro Region

debt crisis, the global growth rate was slower in 2012. Within the framework of monetary policies, while the central banks of developed economies took expansionary measures to overcome the crisis, those of emerging markets adopted prudential policies in line with the current economic conditions.

The US outlook was better in 2012 thanks to the contribution of the Fed's expansionary policy. A third round of quantitative easing announced in September and the financial disparity that came into the agenda toward the end of the year were the significant developments in the US. The third round of quantitative easing made a positive impact on all markets, with the S&P 500 index reaching its highest level in the last four years.



GLOBAL
MARKETS AND
TURKEY

14% ↓

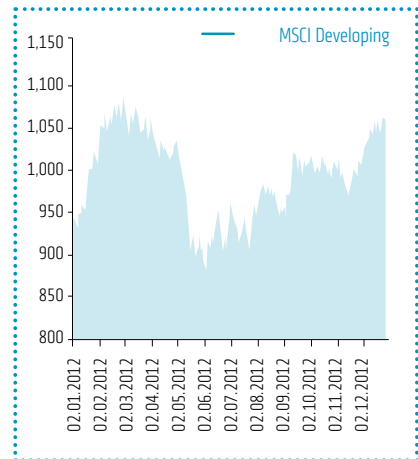
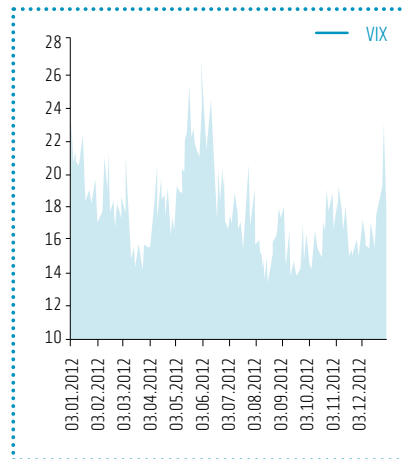
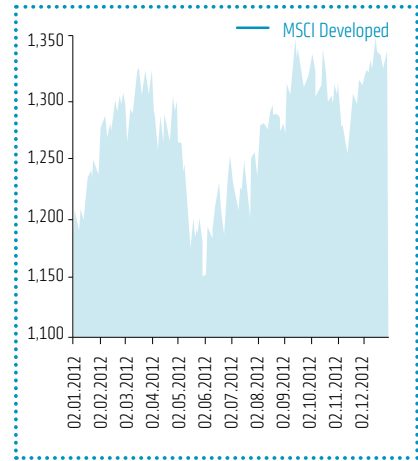
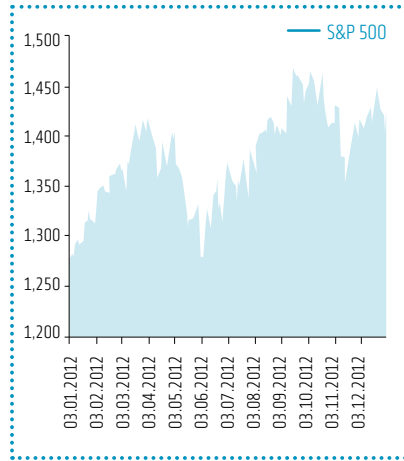
VIX
Volatility Index

22% ↑

MSCI
Emerging Markets

A third round of quantitative easing made a positive impact on all markets, with the S&P 500 index reaching its highest level in the last four years.

Global Markets: S&P 500, VIX (Volatility), MSCI Developed, MSCI Emerging Markets Index



387%↑

The Fed asset size growth
in the last five years

257%↑

Growth in ECB's
balance-sheet in the
last five years

The political uncertainties in Greece in Q2 2012 led to increased worries and uncertainties in the EU countries, lowering the risk appetite.

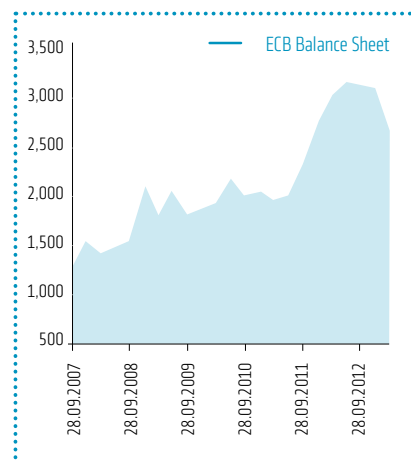
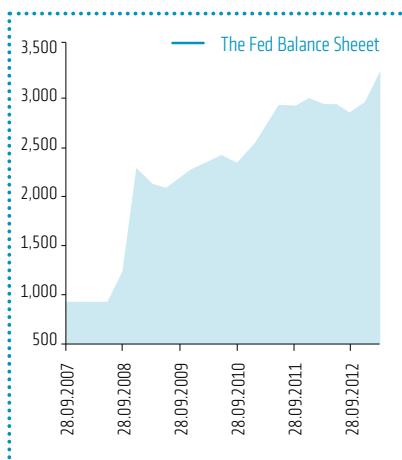
Following the third round of quantitative easing, QE3 in September, the Fed initiated a new expansionary program in December 2012, under which US\$ 40 billion of mortgage-backed securities will be bought on a monthly basis starting from January 2013. The Fed also announced that they will keep the interest rates close to "0" by 2015 until the unemployment rate declines below 6.5 percent, and should the inflation rate is equal to or less than 2.5 percent. The Fed also signaled the continuation of the operation twist, under which the Fed sells some of the short term debt it purchased as part of the quantitative easing policy back into the market and uses the money received from this to buy longer term government debt securities. As a result of the decisions made at end-2012, the 2013 balance-sheet is expected to enlarge by US\$ 85 billion monthly. This decision is expected to lead the Fed's balance-sheet size standing at US\$ 877 billion as of August 2007 to increase to around US\$ 4 billion by the end of 2013.

Due to the tax increases and spending cuts expected to automatically go in effect in the beginning of 2013 upon the expiration of the agreement enacted during Bush's presidency, Fitch gave a warning that they may decrease the US credit rating in September, whereas an agreement was reached towards the end of the year, and the settlement of the so-called "financial disparity" problem was well-received by the market.

In the Euro Zone, the public finance debt crisis, which reached its peak with Greece in 2011, and further deepened with Spain in 2012, made a negative impact on the markets. As Greece agreed to a bond exchange with the IMF-ECB-EU troika and a partial shave-off of its debts, ECB financed the debt amounting to € 529 billion of 3-years maturity; thereby delaying the negative results that may arise in the short term. Despite this, credit rating agencies cut off the credit ratings of numerous countries in the Euro Region.

The political uncertainties in Greece in Q2 2012 led to increased worries and uncertainties in the EU countries, declining the risk appetite. These uncertainties led to the possibility of Greece exiting the Euro Zone to be spoken out loud.

European Central Bank and the Fed Balance Sheet Size Changes (US\$ billion)



Source: Bloomberg

GLOBAL MARKETS AND TURKEY

As the slowing down of the global economy owing to the deepening European debt crisis reached a point threatening the emerging markets, expansionary policy measures were introduced.

0.75% ↓

ECB Policy
Interest Rate

Markets were basically worried about this exit because it might be more costly and other countries may follow course. On the other hand, Spain decided on a re-capitalization instead of Europe's € 100 billion disbursement. Worries about the debt service coverage of Europe's fourth largest economy led the interest rates of the 10-year government bonds to rise to 7.75 percent on August 25.

ECB reduced its policy interest to a historic low of 0.75 percent while lowering the deposit interest rate to 0 percent. As a result of the debt crisis and interest rate cuts, Euro-Dollar parity reiterated to a two-year low of 1.2043. ECB maintained the policy interest at 0.75 percent in September, and announced that, despite Germany's rejection, it will engage in bond acquisition including the governments that requested salvage funds, and that it will be fully sterilized. Draghi's pro-solution statements made a positive impact on the markets. Yet, despite all these measures, the Euro Zone unemployment rate rose to an all-time high of 11.7 percent.

65 ↑

trillion ¥
Bank of Japan's asset
acquisition program

As the crisis deepened in the Euro Zone and the economic outlook got even more unclear, the US exports, real sector and consumer confidence were adversely affected, pressurizing the financial markets and institutions.

Greek Cypriot Administration of Southern Cyprus was the fifth state to demand help from the EU funds, mainly in order to control the risks that may arise from the financial sector, which is highly exposed to the effect of the Greek economy.

As the slowing down of the global economy owing to the deepening European debt crisis reached a point threatening the emerging markets, expansionary policy measures were introduced.

Similar to the central banks of developed economies, Bank of Japan continued to apply expansionary monetary policies, and unexpectedly increasing its asset acquisition program by ¥10 trillion to ¥65 trillion, made an attempt to stop the deflation spiral.



529

€ billion

Amount of finance with
three-year maturity provided by
ECB to European banks

11.7%

Euro Zone
unemployment rate

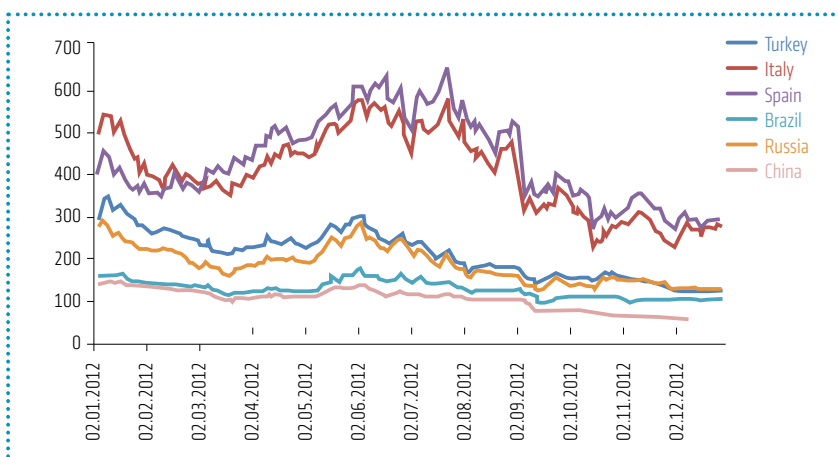
As part of its monetary policy, China attempted to revive its housing sector by decreasing the statutory reserve ratios and prevent a possible sharp decline that may be caused by a narrowing in foreign demand arising from the financial crisis in the Euro Region.

China, world's second largest economy, continued with the tradition of developing with its export oriented economy and gave no signals of structural change. Having turned to Africa to fulfill its raw material and energy needs, China is expected to shift part of its manufacturing to this region. China directs its foreign trade surplus to investments in manufacturing facilities, and there are doubts that it may follow the same path as Japan, which grew successfully in the 1970s, followed by a growth and debt crisis. Several authorities assume that if China can sustain its current growth rate, it will become the world's largest economy in a short time, and applying structural reforms such as deepening its financial system parallel with the manufacturing sector is accepted as an important factor in maintaining its economic development. As part of its monetary policy, China attempted to revive its housing sector by decreasing the statutory reserve ratios and prevent a possible

sharp decline that may be caused by a narrowing in foreign demand arising from the financial crisis in the Euro Region.

Emerging markets, on the other hand, continued to implement unorthodox policies in order to alleviate the inflationist pressures arising from fast growth and keep their current account deficits under control, and within this framework, started to implement policy instruments such as capital controls and increasing statutory reserve ratios. Furthermore, the global risk perception changed in favor of emerging markets in 2011 due to problems related to public finance and the successful performance of emerging markets. Similarly, in 2012, the risk difference was aggravated because of countries such as Italy and Spain that failed to settle their economic problems. Turkey's CDS premium fell during 2012 thanks to the improvement in the current account deficit and the credit note increases by credit rating agencies.

CDS Prices Comparison: Selected Developed and Emerging Markets



GLOBAL MARKETS AND TURKEY

5.1%↑

Turkish economy's growth rate in the last decade

25%↑

Growth in the industrial production index in the last two years

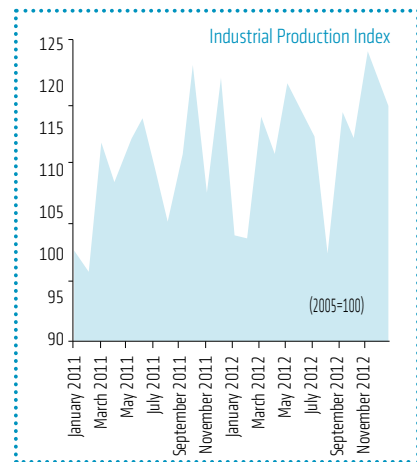
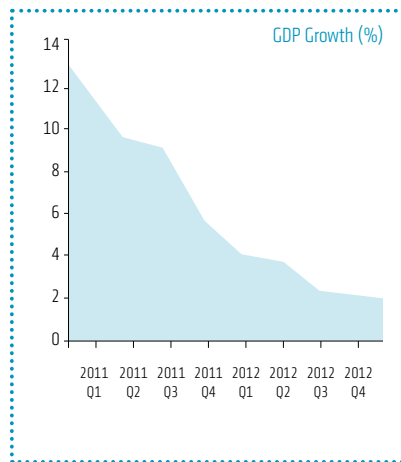
Considering the growth rates in the last decade, including 2012, Turkey ranked first among the OECD countries with a growth rate of 5.1 percent.

TURKEY

After growing at a rate of 8.8 percent in 2011, Turkey failed to show the same performance in 2012 due to the uncertainties in the global economy and Europe's debt crisis. In consideration of the credit expansion, current account deficit and sustainable growth targets, the decision makers aimed at a soft landing. Therefore, following 2011's growth rates above the potential growth rate, the Turkish economy registered a growth rate below its potential growth rate during 2012. European debt crisis deeply affected the whole world during the year, while the Turkish economy

grew at a rate of 3.3 percent, 2.9 percent, 1.6 percent, and 1.4 percent in the four quarters, respectively. Growth in 2012 was below expectations, realized at 2.2 percent compared to the predicted rate of 3.2 percent. The fall in the growth rate was largely due to the narrowing domestic demand. Nevertheless, these growth rates were well over those of many developed economies. Considering the growth rates in the last decade, including 2012, Turkey ranked first among the OECD countries with a growth rate of 5.1 percent.

Turkey: GDP Growth Rate, Industrial Production, Unemployment Rate, Current Account Balance



Source: Turkish Statistical Institute, Central Bank of the Republic of Turkey

10.1%

Unemployment
rate 2012

97.9%

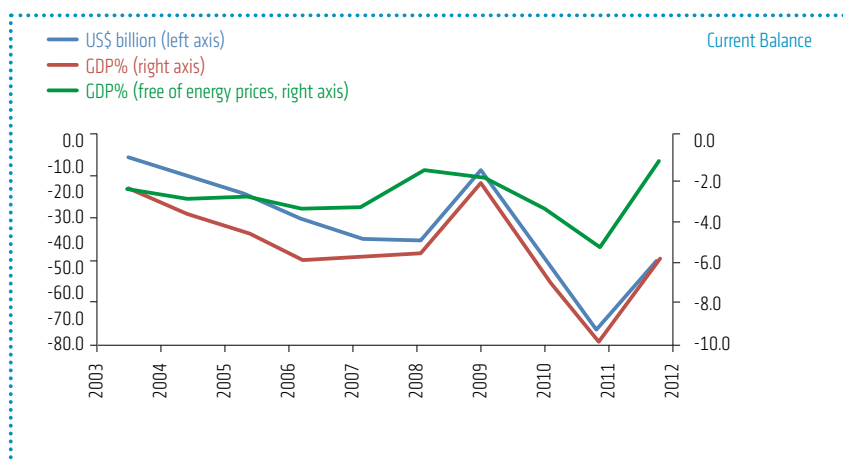
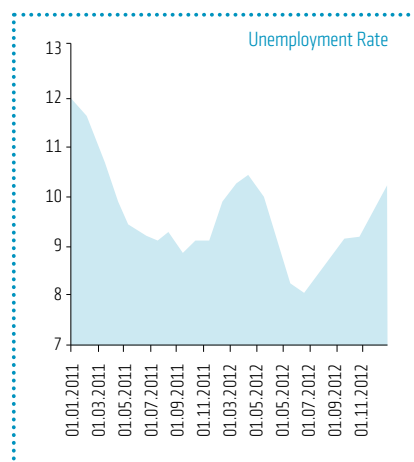
Real Sector
Confidence Index
(end-year 2012)

117.7

Manufacturing Industry
Production Index
(end-year 2012)

Unemployment rate, which climbed up to 14 percent after the global crisis, registered a significant decrease later. During 2012, the unemployment rate changed between 8 percent and 10 percent. Unemployment rate fell by approximately 2 points in the first half of 2012, but in the second half of the year, it reiterated back to its level at the beginning of the year. Unemployment rate was realized at 10.1 percent as of end-2012.

Real sector confidence index, which increased from 101.8 to 116 during the first four months of the year, started to fall in May 2012 and was realized at 97.9 as of the end of the year. Consumer confidence index, on the other hand, which stood at 92.2 at the beginning of the year followed a steady trend during the year and was realized at 89 at end-year. Manufacturing industry production index, which was realized at 120.9 in December 2011, stood at 117.7 in December 2012.



Sources: Turkish Statistical Institute, Central Bank of the Republic of Turkey

GLOBAL MARKETS AND TURKEY

152.5

US\$ billion
Turkey's exports
in 2012

6%

Current Account
Deficit/GDP Ratio

While the European Union countries continue to be the most important exports market, Turkey broadened its range for exports, extending to the Middle East and North Africa.

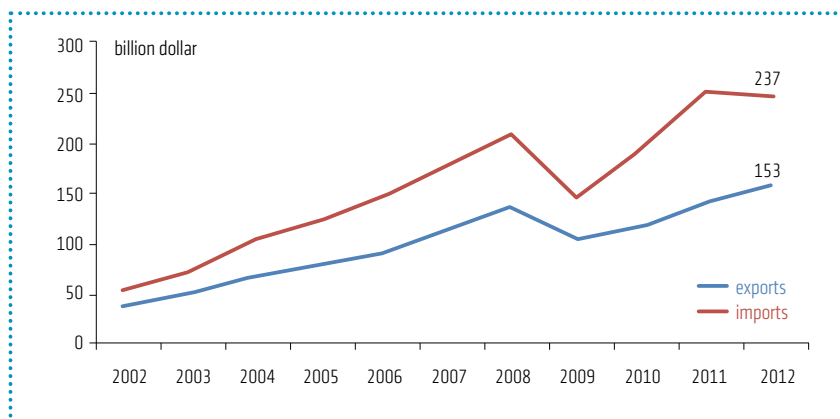
Exports registered a significant development in 2012, reaching US\$ 152.5 billion, with an increase of 13.3 percent compared to the previous year. Surpassing the limit of US\$ 148.5 billion, the target envisioned for 2012 in the Medium Term Plan, exports broke a record. While the European Union countries continue to be the most important exports market, Turkey broadened its range for exports, extending to the Middle East and North Africa. The share of European Union countries in Turkey's exports, which stood at 46.8 percent in 2011, fell to 38.8 percent in 2012 due to the crisis. Nevertheless, the share of North Africa and Near and Middle East countries in exports increased by, respectively, 41 percent and 52.1 percent, making up for the decrease in exports to the EU, and contributed to the record level of exports. Furthermore, partly due to the weakening domestic demand, export coverage registered an increase by 56 percent compared to 2011, reaching 64.5 percent in 2012.

Thanks to the policies such as tight monetary policy, implemented during the soft landing period that

started in Q3 2011, domestic demand narrowed and the current account deficit fell considerably. After reaching its highest point of US\$ 78.6 billion in October 2011, it followed a downward trend during 2012. In spite of Europe's debt crisis which deeply affected the world and increasing oil prices, the current account deficit's downward trend continued during the whole year. While the current account deficit/GDP ratio stood at approximately 10 percent in 2011, it reiterated to 6 percent in 2012.

In October, the Medium Term Plan comprising Turkey's macroeconomic targets for 2013-2015 was announced. The growth estimations for 2013, 2014, and 2015 were determined as, respectively, 4 percent, 5 percent and 5 percent, whereas the inflation rate was estimated as, respectively, 8.9 percent; 8 percent and 8 percent for the same period. Current account deficit/GDP ratio was estimated as, respectively, 7.1 percent, 6.9 percent and 6.5 percent for the same period. Budget deficit GDP ratio was estimated at respectively, 2.2 percent, 2 percent and 1.8 percent, while public debt stock GDP ratio was estimated at respectively, 35 percent, 33 percent, and 31 percent.

Turkey: Change in Exports and Imports



Source: Turkish Statistical Institute, Central Bank of the Republic of Turkey

*Yatırımın Yükselen
Değeri!*



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GLOBAL MARKETS AND TURKEY

9.19%

Inflation rate
for 2012

27%↑

Increase in ₺/US\$ rate
in the last couple
of years

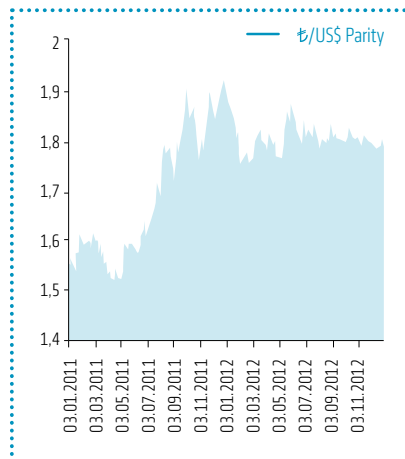
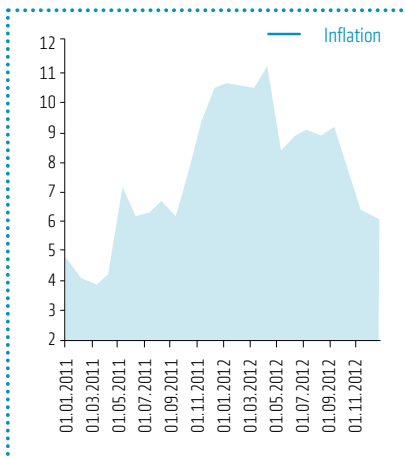
As emerging economies attempted to alleviate the effects of the global crisis through expansionary policies, there was an increase in international liquidity as well as in the capital markets volatility. Short term capital flow to emerging markets started to impose a risk on them. The idea that financial fragility which emerged as a result of the global crisis will put price stability under pressure in the long run led emerging economies to create new policies. Therefore, CBRT followed an approach that considers not only price stability but financial stability as well, diversifying traditional policy instruments, while putting new policy instruments such as interest corridor, into use. This new approach, which started at the end of 2010 continued well into 2012, and a new instrument, namely, Reserve Option Mechanism, was launched in August. This new instrument is aimed at providing flexibility in the currency market, decreasing currency volatility, and increasing reserves. Due to the significant depreciation of the Turkish Lira and the rising commodity prices in 2011, the inflation rate was realized

at 10.4 percent, quite higher than the targeted rate of 5.5 percent. In 2012, the depreciation of Turkish Lira was limited thanks to the policies implemented and towards the end of the year, inflation rate fell. While the targeted inflation was 5 percent, the annual inflation rate was 9.19 percent on the basis of the data announced on January 13, 2013. However, in consideration of the falling inflation trend in the last quarter of 2012, it is estimated that CBRT's targeted rates may be reached in the period to follow, as a result of the policies implemented.

The foreign currency rate, which followed a volatile trend in 2011, increased sharply towards the end of the year and was later cut down to 1.80 thanks to CBRT's direct interventions. During 2012, foreign currency rate stood at around 1.80 despite small fluctuations. Thanks to the Reserve Option Mechanism, which was initiated in September, the need for direct intervention on foreign currency was eased significantly, providing flexibility to the currency market.

Repo interest rate with one week maturity, which is the policy interest for 2012, was maintained at a level of 5.75, and was decreased by 25 bp to 5.50 in December. Overnight lending interest rate, which is the lower band of the interest corridor, was maintained at a level of five during the year, while the upper band, which is the overnight borrowing interest rate, was decreased gradually from 12.50 to 9, and the corridor was made more symmetrical compared to the beginning of the year. The Reserve Option Mechanism, which was activated in August, alleviated the need for the interest corridor, allowing it to become more symmetrical. Within the framework of late liquidity window, the borrowing interest rate applicable in the interbank money market between 16:00-17:00 hours was maintained at "0" while the lending interest rate was decreased gradually from 15.50 to 12. The interest rate on the borrowing facility through repo transactions offered for market maker banks within the framework of Open Market Transactions was gradually decreased from 12 to 8.50. Open Market Transactions were used occasionally, and were expanded towards the end of the year, compared to June.

Consumer Inflation (Annual, %), ₺/US\$ Parity Change Inflation



In the first quarter of 2012, especially borrowing crisis problems arising from the Euro Zone led the risk to build up, and extra monetary tightening measures were applied during this period. ECB's statements to help the governments experiencing debt crises and general policy decisions in the second half of the year relieved the markets to some extent. During the year, the statutory reserves for obligations on Turkish Lira basis were not changed while foreign currency denominated statutory reserves were maintained at a fixed rate and in December, short term statutory reserves were increased by 0.5 points to encourage maturity extension. Within the scope of the reserve option mechanism initiated in September as part of liquidity management, reserve option coefficients were gradually increased in terms of foreign currency and gold.

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Hamdi Akın, Akfen Holding Chairman



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GLOBAL
MARKETS AND
TURKEY

52↓%

Decrease in EU-defined
General Government
Debt Stock in the
last decade

100

US\$ billion
CBRT currency
Reserves

Thanks to strong macroeconomic indicators, the healthy structure of public finance and banking sector, international credit rating agency Fitch upgraded Turkey's credit rating to "investment grade" in November. Brazil, China and India float around 15-17 percent bond as of September 2012.

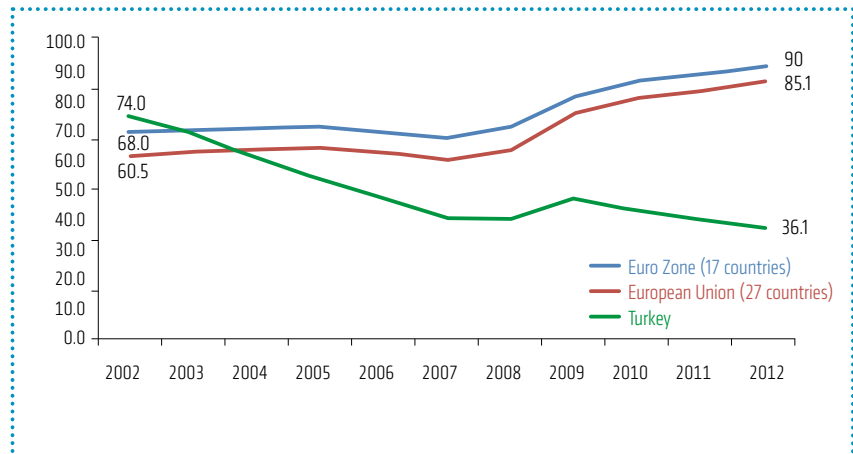
Within the framework of these policies, the credit growth was decelerated as targeted and decreased to the emerging markets band, that is, 15 percent in September. Foreign currency volatility started to float in the lowest band of emerging economies. Thanks to the reserve option mechanism and the support of the pre-shipment export credits, an increase was registered

with the reserves, and CBRT's gross foreign currency reserves which stood at US\$ 78 billion in early 2012 exceeded US\$ 100 billion at end-year. Gold reserves, which stood at US\$ 10 billion in early 2012 increased to US\$ 20 billion.³

The ratio of EU-Defined General Government Debt Stock to GDP, which stood at 78 percent in 2001, retreated to as far as 36.1 percent in 2012. Brazil, China and India float around 15-17 percent band as of September 2012.² Short term external debt stock was realized at around US\$ 100 billion as of December 2012. During the same period, central government's budget income was around TL 26 billion while its budget expenditure stood at TL 34 billion.

Thanks to strong macroeconomic indicators, the healthy structure of public finance and banking sector, international credit rating agency Fitch upgraded Turkey's credit rating to "investment grade" in November. On the other hand, Fitch underlined the current account deficit as Turkey's most important weakness, while the relative volatility in GDP growth rate was indicated as a significant risk, along with the current account deficit.

EU-Defined General Government Debt Stock



Source: Turkish Treasury, Eurostat

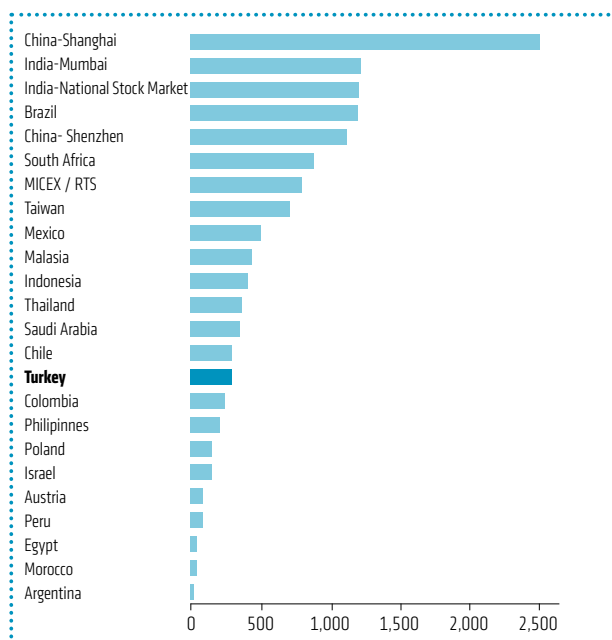
²Brazil, China and India float around 15-17 percent band as of September 2012.

³Central Bank of the Republic of Turkey, "Monetary and Foreign Currency Policy 2013", Ankara, December 25, 2012.

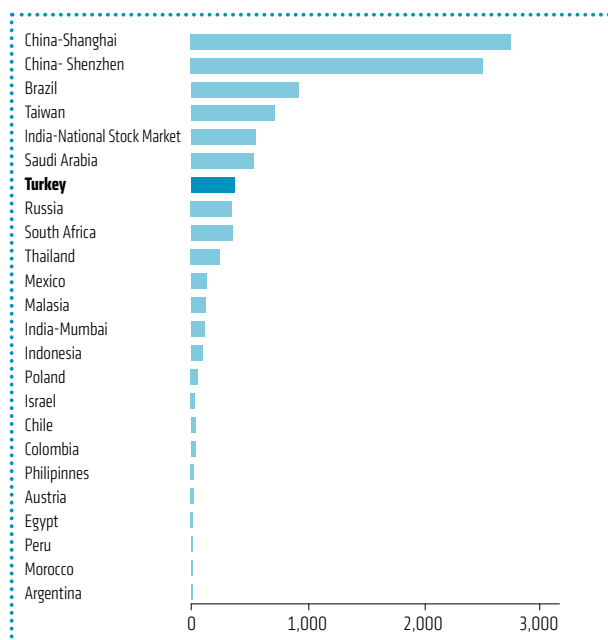


Market Capitalization, Traded Value and Equity Turnover Velocity Comparisons

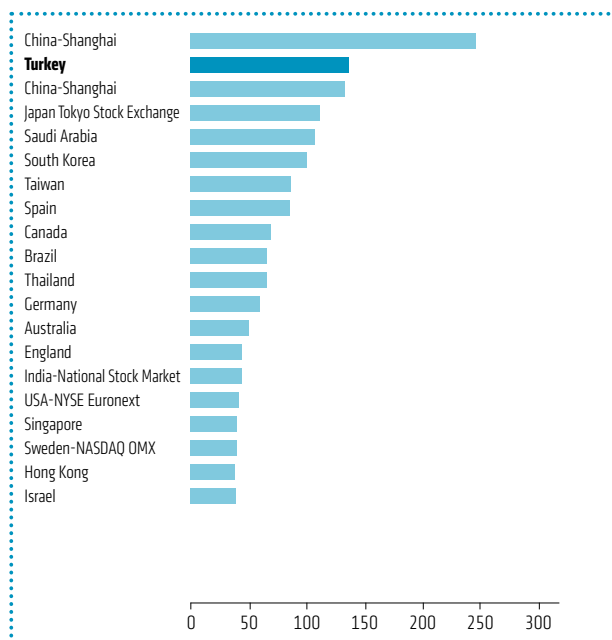
Market Capitalization Comparison: Emerging Markets (US\$ billion, end-2012)



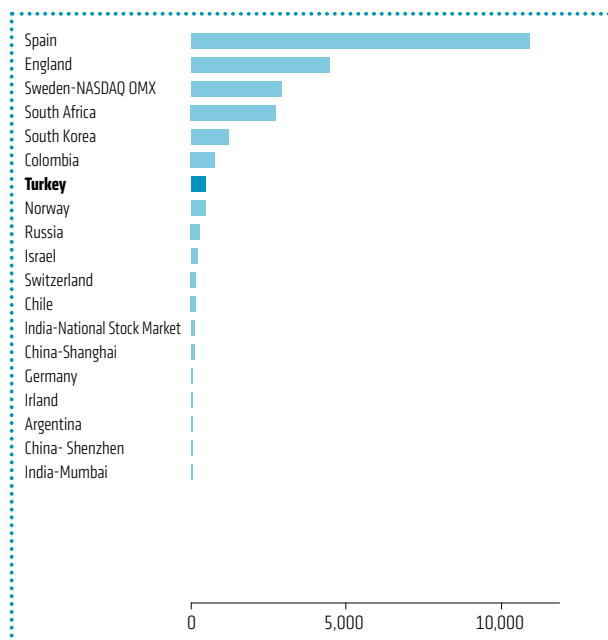
Equity Market Traded Value Comparison: Emerging Markets (US\$ billion, end-2012)



Equity Market Turnover Velocity Rate (%) 2012



Debts Markets Trading Value Comparison: Developed and Emerging Markets (US\$ billion 2012)



Source: İMKB, WFE

While maintaining its place in the seventh rank in terms of equity traded value in 2012, İMKB rose to the second rank among developed and emerging markets in terms of equity turnover velocity. İMKB ranks 15th among emerging markets in terms of market capitalization. With regard to the traded value of debt securities markets, İMKB ranks seventh among developed and emerging markets. While the share of foreign portfolio investors in the free-floating shares stood at 62.1 percent in 2011, this ratio increased to 65.7 percent in 2012.

MARKETS

Equity Market

In spite of the political uncertainty and economic narrowing that influenced the world economies last year, İMKB showed a strong performance thanks to the stable development of the Turkish economy, with İMKB-100 Index registering an increase by 53 percent.

MARKET DATA

İMKB-100 Index closed the year at 78,208.44 points, with an increase by 53 percent compared to the previous year (2,561.94 points, with an increase by 62 percent in US\$ terms). Equity Market's annual traded value fell by 10 percent to TL 621.9 billion (fell by 18 percent to US\$ 347.9 billion in US\$ terms).

The average traded value in the Equity Market narrowed by 11 percent compared to the previous year, and fell to TL 2.46 billion (fell by 18 percent to TL 1.4 billion). The daily average number of contracts, which stood at 405,000 in 2011, decreased by 23 percent to 312,000 in 2012. The average daily traded volume was TL 687.3 million in 2012.

The market capitalization of the companies traded on İMKB stood at TL 550.1 billion at end-2012, registering an increase by 44 percent compared to the previous year (increased by 53 percent to reach US\$ 309.6 billion).

As of the end of the year, 99 investment companies were authorized to trade in the Equity Market.

DEVELOPMENTS IN THE EQUITY MARKET

In spite of the political uncertainty that dominated the world economies as well as the narrowing of the economies last year, Turkey's stable economic development strengthened İMKB, leading it to sustain its performance in 2012, with 20 new equities starting to trade on the Equity Market. Furthermore, a structured product, namely, certificates, was introduced in the Market. Certificates are structured financial products which entitle their investors to receivables provided that pre-determined conditions occur. In 2012, 16 companies and four Exchange Traded Funds were offered to the public. In addition to that, the equities of four companies started to trade on İMKB Equity Market without being offered to the public.





395 EQUITIES



TRADED VALUE (₺billion)

622

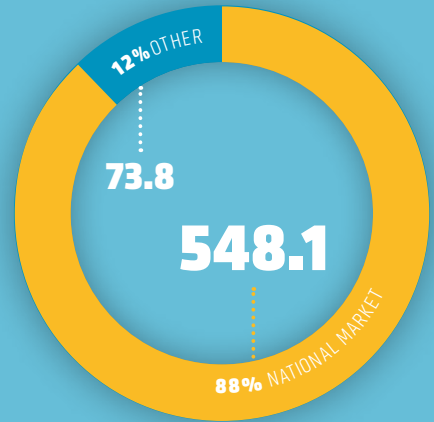
16 EXCHANGE TRADED FUNDS



281 WARRANTS



50 CERTIFICATES



İMKB 100 INDEX (2011-2012)

MARKETS

Equity
Market

Practices including closing session, trades at closing session and trades at single price were introduced in the Equity Market on March 2.

As of end-2012, a total of 395 companies were traded on İMKB Equity Market, with 242 on the National Market, 47 on the Collective Products Market, 77 on the Second National Market, and 13 on the Watchlist Companies Market, and 16 on the free trade platform. The total number of securities traded on İMKB Equity Market reached 742 as of the end of the year, with 16 Exchange Traded Funds traded on the Collective Markets, and 281 warrants with varying underlying assets and maturities, and 50 certificates.

Warrants may be written on a single stock or a basket of stocks included in İMKB 30 index, on İMKB indices, and other assets and indicators such as convertible currency and precious metals approved by the CMB.

The annual total traded value of the National Market was TL 548.1 billion in 2012, making up the 88 percent of the total traded value of the Equity Market, which is equal to TL 621.9 billion (US\$ 347.9 billion). The traded value of the Collective Products Market stood

at TL 46.5 billion (TL 8.3 billion of this amount was realized on exchange traded funds, TL 5.4 billion on warrants, and TL 3 million on certificates), whereas the traded value of the Second National Market, and Watchlist Companies Market were, respectively, TL 27.3 billion and TL 0.1 billion.

The total market capitalization of the 16 companies traded on the Free Trade Platform which was launched on January 1, 2012 stood at TL 2.5 billion (US\$ 1.4 billion) at year-end, and the Platform's annual traded value was TL 41.2 million (US\$ 23 million).

As of end-2012, 65.8 percent of the free-floating shares of the companies traded on İMKB is held by international portfolio investors.





NEW PRACTICES

Free Trade Platform (FTP)

A Free Trade Platform was established for trading the equities of companies registered with the CMB, but not traded on IMKB, in consideration of their financial status and ownership structure, subject to CMB's approval. Free Trade Platform was launched on January 1, and the first company started to trade on May 10, with the total number of companies reaching 16 as of the end of the year.

FTP operates with single price trading method during the Equity Market trading hours. On FTP, orders are collected four times daily for price discovery.

Equities traded on the Free Trade Platform are subject to gross settlement, are not grouped under A, B, or C lists, and margin trading and short selling are not allowed for such equities.

Closing Session, Trades at Closing Price, Trades at Single Price

Practices including closing session, trades at closing session and trades at single price were introduced in the Equity Market on March 2.

Closing Session: Closing session is a special trading session operating with a single price, where the single price is calculated by transferring the unmatched orders (excluding quotation orders) entered in the regular session and by accepting new orders in the trading system without matching during a pre-determined period of time. The price level at which the highest trading volume (i.e. single price) may be achieved is determined, and then all trades are realized at this price level.

Closing session is held for all securities traded on the Equity Market with continuous auction and continuous auction with market maker methods, only during the final part of the second trading session. Warrants/certificates, exchange traded funds, rights coupons, and default transactions are not included in the closing session.

Trades at Closing Price Phase (17:38 – 17:40): This is the final phase where new bid and ask orders at only the closing price determined during the closing session can match and be traded with the waiting orders at closing price that have not been matched during the closing session and transferred to this phase, or with those orders entered during this phase, in accordance with the priority rules.

During this 2-minute phase, orders may be entered only for the securities that have been traded in the closing session. New bid and ask orders to be entered in the system must be at the closing price and if matched with a waiting order of the same price, will be traded in accordance with the priority rules. Those that are not traded will stay in the system as waiting orders in accordance with the priority rules.

The orders entered at this phase may not be split or modified in terms of price, but their quantity may be increased/decreased or they may be cancelled.

Trades at Single Price (17:38 – 17:40): This is the final phase where new bid and ask orders at the single price determined in the second single price phase of the second session can match with the waiting orders at these prices or new orders entered during this phase, in accordance with the priority rules and traded.

Trades at single price is applied for the securities traded on the Equity Market and Free Trade Platform with the single price trading method, only in the final part of the second trading session, following the second single price determining phase.

During this 2-minute phase, orders may be entered only for the securities that have been traded in the single price determining phase of the session. New bid and ask orders to be entered in the system must be at the closing price determined and if matched with a waiting order of the same price, will be traded in accordance with the priority rules. Those that are not traded will stay in the system as waiting orders in accordance with the priority rules.

Second Session Trading Hours Re-Defined

Upon introduction of the closing session, the trading hours of the second session were extended by 10 minutes, to continue until 17:40, starting from March 2.

Certificates Market

As a new financial product, certificates were introduced to the capital markets, and started to trade on the Certificates Market under the Collective Products Market of the Equity Market, on September 10.

Certificates are traded with multi price-continuous auction with market maker method. Although the trading rules for certificates are quite similar to those of warrants, some trading rules vary according to the types of certificates.

MARKETS

Equity
Market

The maximum trade quantity limit by a single order was increased from ₺1,500,000 to ₺3,000,000 as of October 15.

Like warrants, certificates are written on a financial asset or indicator. Equities included in İMKB 30 Index and/or a basket of securities included in İMKB 30 Index, stock indices created by İMKB and subject to the CMB's approval, other assets and indicators including but not limited to convertible currencies, precious metals, commodities, internationally accepted indices may be used as underlying for certificates.

The market maker member assigned for each certificate continuously gives bid and ask quotations in order to ensure that the market trades in an honest, orderly and efficient manner, and to contribute to the creation of a liquid and continuous market. Orders are matched and with quotations or regular orders that fall within the range of quotation prices and are traded, subject to the price and time priority rules. No

orders are entered for certificates during the opening session. Following the opening session, orders may be entered in certificates only after the market maker enters a quotation order.

In the case of certain types of certificates, in the event that the price of the underlying asset or the indicator value reaches or exceeds the level pre-determined by the issuer (barrier), the certificate becomes null and void, which situation is called "knock-out".

Furthermore, due to the knock-out feature of certain types of certificates, the issuer determines a barrier price or value for the underlying asset or indicator. In the event that the price or value of the underlying asset or indicator reaches or exceeds such level during the validity term of the certificate, the relevant certificate becomes null and void.



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Mehmet Büyükekşi, Chairman of Turkish Exporters Assembly



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MARKETS

Equity
Market

379

Number of companies traded
on the Equity Market

523.3

Market capitalization of
companies traded on the
National Market
(₺billion)**New Types of Orders**

Upon introduction of the closing session, two new types of orders, namely, Opening Price Orders (OPO) and Closing Price Orders (CPO) were allowed.

Opening Price Orders (OPO)

Opening Price Orders are bid or ask orders that are sent to the System indicating no price, but only quantity, during the opening sessions held at the beginning of each session and in the case of securities traded with single price method, during the continuous auction sessions, and traded at the opening/single price only. OPOs may neither be split nor converted to price orders, while their quantity may be increased or decreased and they may be cancelled at all times. In terms of priority, OPOs come after limit price orders, and during the opening/single price session, primarily, all limit price orders at tradable prices match with each other and become trades. After that, the remaining limit price orders are traded with OPOs, and after all limit price orders at tradable prices are traded, OPOs are matched with each other and traded according to time priority. OPOs that are not traded are cancelled at the opening session/single price session and not transferred to the further phases of the session.

Closing Price Orders (CPO)

Closing Price Orders are bid or ask orders sent to the System during the closing session, indicating no price, but only quantity, to be traded at the closing price that will be determined during the closing session. The quantity of CPOs may be increased or decreased, and they may be cancelled at any time. However, CPOs may neither be split nor converted to price orders. In terms of priority, CPOs come after limit price orders, and during the closing session, primarily, all limit price orders at tradable prices match with each other and are traded. After that, the remaining limit price orders are traded with CPOs, and after all limit price orders at tradable prices are traded, CPOs are matched with each other and traded according to time priority. CPOs that are not traded are cancelled at the closing session transactions phase and are not transferred to the trades at Closing Price Orders phase.

Maximum Trade Quantity Limit was Increased

The maximum trade quantity limit by a single order was increased from 1,500,000 to 3,000,000 as of October 15.

Maximum Quotation Quantity was Increased

The maximum quotation quantity for the market makers of warrants and certificates was increased from 100,000 lots to 500,000 lots as of October 15.

Liquidity Providers Introduced

In addition to continuous auction with market maker trading method, "liquidity provider for the Equity Market" practice, which is a model with more flexible rules, implemented in some exchanges of the world and aimed at providing liquidity for equities with low traded value, was introduced on November 1.

Liquidity providing is an optional activity aimed at increasing the liquidity of the equities subject to such practice, and therefore, adding to the capacity of such equities for being traded. It does not aim at ensuring price stability. Liquidity providing may be applied for equities other than those traded on the National Market, Second National Market, and Collective Products Market with continuous auction with market maker or single price methods, and that fulfill the criteria determined by İMKB.

Members' Order Transmission Speed Increased

Transfer of TURPAK network on the wide area network to MPLS network, aimed at making the communication infrastructure available for increasing the members' order transmission speed, and was completed. After the transfer was completed, the line speed of all Equity Market members, which was equal to 1 Mbps, was doubled to 2 Mbps on TTNET and MPLS networks.



İMKB IPO Index started to be calculated with 46 constituents on a real time basis on May 7.

As the communication lines were made to provide the opportunity to transmit more orders at a faster speed, Equity Market members were allowed to increase the number of orders they transmit per second. Also, within the framework of the new fee tariff for ExAPI usage, which went into force on December 3, ExAPI capacity usage fees per unit were discounted, bringing the 1 order/second extra capacity usage fee from TL 5,250 to TL 500, while increasing the total capacity that members may use in order transmission from 24 orders/second to 32 orders/second. Furthermore, ExAPI usage for which no capacity has been defined was also allowed.

New Fee Tariff for Order Cancellation, Price Worsening and Quantity Decreasing

The new fee tariff which went into force on December 3, a three-phase charging model was introduced for the cancellation, price worsening and quantity decreasing for the orders in the current price echelon.

Within this framework;

- Order cancellation, quantity decrease and price worsening made within up to 30 seconds (30th second excluded) are subject to a fee equal to 4 one hundred thousandths (equal to four times the current fee),
- Order cancellation, quantity decrease and price worsening made within 30 to 60 seconds (60th second excluded) are subject to a fee equal to 2 one hundred thousandths (equal to two times the current fee),

A cooperation agreement was signed with the Vienna Exchange for calculation and dissemination of market capitalization weighted indices of İMKB-traded companies.

- Order cancellation, quantity decrease and price worsening made after 60 seconds are subject to a fee equal to 1 one hundred thousandths (equal to the current fee).

EFFORTS RELATED TO THE INDEXES

İMKB IPO Index

İMKB IPO (Initial Public Offering) Index, which includes the equities of the companies that have gone public and started trading on the National Market and the Second National Market, and those of the real estate investment funds and venture capital investment trusts that have started trading on the Collective Products Market, started to be calculated with 46 constituents on a real time basis on May 7. The closing value of İMKB 100 Index, the main index for the Equity Market, as of the end of the second session on April 26, 2010, equal to 59,043.16 was taken as the base value. For the period between April 27 and May 4, only the first and second session closing values for the Index were calculated. The Index is calculated as price and return. Companies that are offered to the public and start trading are included in the Index on their first trading day and remain in the Index for a term of two years.

MARKETS

Equity
Market

The licensing activities for use of İMKB Indices in financial products continued in 2012, with the number of financial products using İMKB Indices as underlying reaching 47.

İMKB Indices License Agreement and İMKB Index Maker Agreement

İMKB Board decided to revise the İMKB Indices License Agreements in order to resolve the current problems, facilitate implementation, and harmonize the agreements. New licensees will sign new agreement texts while the Agreements with current licensees will be replaced with the new text as they expire.

Use of İMKB Indices in Financial Products

The licensing activities for use of İMKB Indices in financial products continued in 2012, with the number of financial products using İMKB Indices as underlying reaching 47. Of these financial products, two use İMKB Sectorial Indices, three use İMKB 100 Index, two use İMKB Dividend Index, and 40 use İMKB 30 Index as underlying asset. Of these financial products, six written on İMKB 30 (ETFs, certificates and warrants) are traded on İMKB, two are traded on TURKDEX, and six, on foreign exchanges while 33 financial products including investment funds, variable rate deposits, principal protected notes, and over-the-counter derivative products are offered by banks and brokerage houses directly to their clients.

New City Indices

Two new city indices, namely Denizli and Konya started to be calculated on respectively, May 7, and December 4, raising the total number of indices calculated to 12.

Cooperation Agreement with Wiener Börse

A cooperation agreement was signed between İMKB and Wiener Börse on September 28, for the calculation and dissemination of a market cap weighted index of İMKB-traded companies. The Index, called "İBTX" (İstanbul Traded Index) will consist of the equities of 20 companies traded on İMKB and the Index will be denominated in Euro, US Dollar, and Turkish Lira and will be disseminated to users/investors by data vendors. According to the Agreement, Wiener Börse will be responsible for the sales, marketing and dissemination of the indices to third parties such as data vendors while the revenues of the Index will be shared by the parties. The base value of the Index is 1,000 as of January 3, 2011. Calculation parameters and constituent companies will be reviewed respectively, quarterly, and semi-annually. Detailed information on indices is available at <http://en.indices.cc/download/profiles/index.html>.



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”

Hüsnü Özyeğin, Fiba Holding Founder and Chairman



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**BORSA
İSTANBUL**

MARKETS

Emerging
Companies Market

A total of 10 companies went public in the Emerging Companies Market during 2012, nine companies through capital increase, and one through allocated capital increase.

A total of 10 companies went public in the Emerging Companies Market during 2012, nine companies through capital increase, and one through allocated capital increase. These 10 companies raised funds totaling TL 87,079,280. Berkosan Yalıtım ve Tecrit Maddeleri Üretim ve Ticaret A.Ş., operating in the isolation sector, which started trading on the Emerging Companies Market on February 4, 2011, was transferred to the Second National Market on April 30. The number of companies traded on the Emerging Companies Market reached 11 at end-2012, with five applications under examination. Furthermore, four companies signed market advisory agreements with market advisors, although they have not filed their applications yet. At end-2012, there are 27 companies that have been authorized to provide market advisory services, including one portfolio management company and 26 intermediary institutions.

No. of Market Advisors

Authorized in 2010	4
Authorized in 2011	12
Authorized in 2012	11
Total	27

A Market Advisors Council meeting was held on March 20 in order to inform market advisors on the aims and targets of the Emerging Companies Market and market advisors, on İMKB's expectations from market advisors, their role in leading small and medium sized companies to the capital markets, the minimum company report standards determined by İMKB and special incentives of the Emerging Companies Market. During the year, the Market officials participated in a total of 23 activities and promotion meetings in İstanbul and out-of-town for the promotion of the Market and its targets.





MARKETS

Debt Securities
Market

Debt Securities Market continued to grow in 2012, with the annual traded value of ₺ 4.12 trillion in 2011 rising to ₺ 6.83 trillion registering an increase by 65.78 percent at the end of 2012. The Market's average daily traded value increased from ₺ 16.29 billion to ₺ 26.99 billion.

Market Data

Debt Securities Market continued to grow in 2012, with the annual traded value of TL 4.12 trillion (US\$ 2.45 trillion) in 2011 rising to TL 6.83 trillion (US\$ 3.81 trillion), registering an increase by 65.78 percent at the end of 2012. The Market's average daily traded value increased from TL 16.29 billion to TL 26.99 billion (US\$ 15.07 billion).

The breakdown of the trading value is as follows: 54.45 percent in the Repo Reverse Repo Market, 5.23 percent in the Outright Purchases and Sales Market, 40.16 percent in the Interbank Repo Reverse Repo Market, 0.14 percent in the Repo Market for Specified Securities, and 0.02 in the Offerings Market for Qualified Investors.

During the year, the number of issues in the Offerings Market for Qualified Investors, which stood at 11 in 2011, was multiplied by five and reached 55, with a total amount of TL 1,285 million.

The traded value of Public Lease Certificates which started trading in October reached TL 35 million.

The total traded value registered an increase by 55.51 percent in US\$ terms in 2012, reaching US\$ 3.81 trillion. During this period, the traded value in the Outright Purchases and Sales Market fell by 31.36 percent to US\$ 199.79 billion while the traded value in the Repo Reverse Repo Market (including Interbank Repo Reverse Repo Market) was realized at US\$ 3.61 trillion with an increase by 67.60 percent. During 2012, public sector securities (government bonds, treasury bills, lease certificates) and private sector securities (private sector bonds, bank bills, asset-backed securities, financing bonds) were traded on the Debt Securities Market.

97.97 percent of the total traded value was realized in public securities, and 2.03 percent in private sector

securities. As of end-2012, a total of 112 intermediary institutions were authorized to trade on the Debt Securities Market, with 72 brokerage houses and 40 banks.

Debt securities and repo transactions realized off-Exchange and registered by İMKB increased by 20.40 percent compared to the previous year, reaching TL 1,102.46 billion. 13.90 percent of the trades registered by İMKB were realized off-Exchange, and 86.10 percent, on İMKB Debt Securities Market.

New Arrangements

In line with the Capital Markets Board's arrangements and the revisions on the tax legislation, an Equity Repo Market was launched on December 7. The Market will operate in a similar way to the Repo Market for Specified Securities, but will allow repo and reverse repo transactions on equities.

As the Equity Repo Market started to operate, new sections covering this market were introduced, thereby adding to the functionality of the Debt Securities API system (BAPAPI).

Public sector lease certificates started to trade at end-September, while Turkish Lira paying lease certificates issued by the Treasury Undersecretariat started to be accepted as collateral for trading limit in the Debt Securities Market.

Turkish Lira denominated cash and private sector borrowing instruments listed on İMKB started to be accepted as collateral against appreciation/depreciation arising from future date outright purchases and sales, and private sector borrowing instruments started to be accepted as collateral against appreciation/depreciation arising from Repo Market for Specified Securities.





2011
TRADED VALUE (₹ trillion)
4.12

2012
TRADED VALUE (₹ trillion)
6.83



72

Brokerage Houses



40

Banks



Offerings Market for Qualified Investors **0.02%**

Repo Market for Specified Securities **0.14%**

Outright Purchases and Sales Market

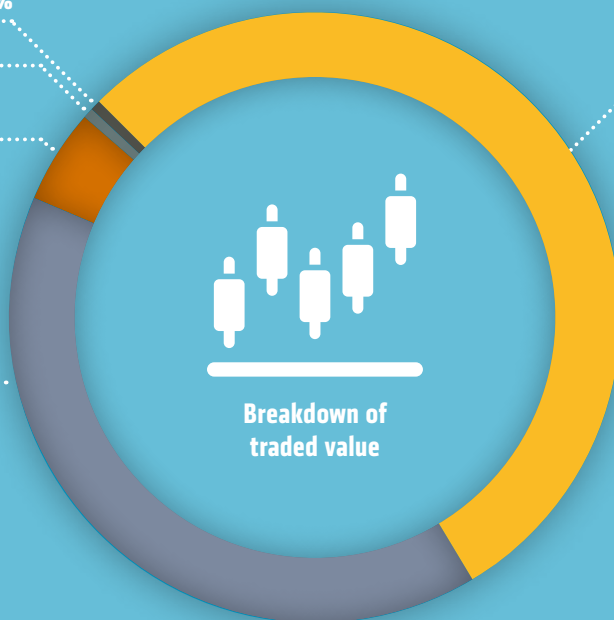
5.23%

Interbank Repo Reverse Repo Market

40.16%

Repo Reverse Repo Market

54.45%



MARKETS

Foreign
Securities Market

Foreign debt securities issued by the Turkish Treasury (Eurobonds) and foreign borrowing instruments including bonds and bills, registered by the CMB and listed upon the decision of İMKB Board are traded on İMKB Foreign Securities Market.

In accordance with İMKB Organization Directive which was accepted at İMKB Board's meeting no. 1486 dated June 29, 2012 and which went into force on July 2, 2012 the Turkish version of the title of the Foreign Securities Market was revised.

Foreign Securities Market was established with a view to establishing, regulating and operating markets, platforms or systems for capital markets instruments denominated in foreign currency, and adding to the diversity of the products and services offered to both Turkish and foreign investors.

In addition to operating the Eurobond markets, the activities of the Foreign Securities Market in 2012 were predominantly focused on introducing an increased number of foreign instruments within the framework of İstanbul International Financial Center Project.

Eurobond Market

Foreign Securities Market operates two markets, namely, International Bonds Market and Eurobond Neg Deals Platform.

Foreign debt securities issued by the Turkish Treasury (Eurobonds) and foreign borrowing instruments including bonds and bills, registered by the CMB and listed upon the decision of İMKB Board are traded on İMKB Foreign Securities Market.

International Bonds Market was established to provide an organized market offering high liquidity, competition, transparency and fast flow of information, for trading Turkish Eurobonds which were previously traded over-the-counter. Outright purchases and sales of Eurobonds are realized in a multiple price-continuous auction system on the International Bonds Market. Orders are matched according to price and time priority rules.

Eurobond Neg Deals Platform, on the other hand, embraces the advantages of both organized and OTC markets and is aimed at adding to the competitive power of the Eurobond Market within İMKB. In the Eurobond Neg Deals Platform, members send their orders indicating the counterparty of the trade. The orders appear on the Advertising Orders Screen indicating member code, and realized on the Neg Deals Screen. Members can announce demand for a certain security to all users through the Advertising Orders Screen.

Orders are sent to the International Bonds Market through the Automated Bonds Trading System (OTASS) terminals/Bonds and Bills Market API (BAPAPI) located in the members' head offices and alternative access point or via experts.





€-denominated



Traded value of € 5.3 million



US\$-denominated



Traded value of US\$ 250.6 million



€-denominated



Traded value of € 6.5 billion

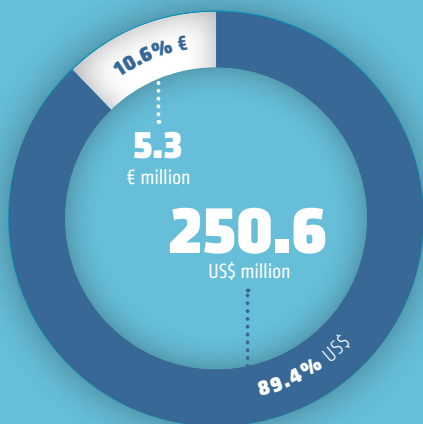


US\$-denominated

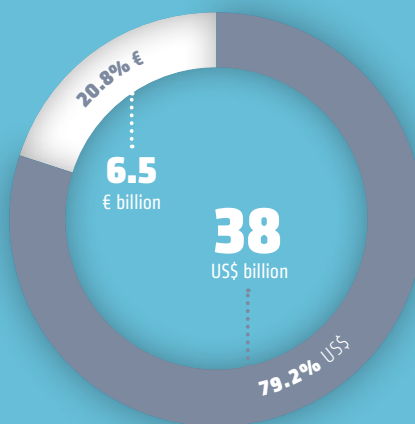


Traded value of US\$ 38 billion

Breakdown of Eurobond traded value in 2012



Breakdown of Free-Floating Eurobonds as of 2012



MARKETS

Foreign
Securities Market

As of end-2012, 24 Eurobonds issued by the Turkish Treasury are traded on the Foreign Securities Market.

Bid and ask orders for Eurobonds are denominated in the currency in which the security was issued, and payments are made in the same currency. The value dates for Eurobond trades vary from one day to 15 days.

Banks and brokerage houses authorized to trade on İMKB Bonds and Bills Market Outright Purchases and Sales Market may trade in the Foreign Securities Market Eurobond Market, provided that they deposit any of the types of collateral envisaged by the legislation, equal to an amount of US\$ 50,000 or equivalent thereof.

Information on the Eurobond trades realized on the Foreign Securities Market in 2012 is given in the table below:

Overall Total (*)	Nominal Traded Volume	Traded Value	No. of Contracts
€	4,910,000	5,320,482.36	14
US\$	187,000,000	250,555,845.52	118

(*) Overall total includes single-party trades as well.

Turkish Treasury issued new Eurobonds of a nominal value of US\$ 1.5 billion, and additional Eurobonds of a nominal value of US\$ 3 billion in 2012, which were listed on İMKB and started trading on the Foreign Securities Market.

As of end-2012, 24 Eurobonds issued by the Turkish Treasury are traded on the Foreign Securities Market. The nominal amount of US\$ 19 denominated Eurobonds and € 5 denominated Eurobonds, are, respectively, 38 US\$ billion, and 6.5 € billion.



Settlement is realized using the international settlement and custody institution determined by Takasbank, namely, Euroclearbank, according to delivery versus payment (DvP) principle. Cash settlement of trades is realized in the currency in which the securities are denominated.

Security and cash settlement of the Eurobonds traded on the Foreign Securities Market are realized in accordance with the settlement instructions created as a result of the bilateral netting by Takasbank. Settlement is realized using the international settlement and custody institution determined by Takasbank, namely, Euroclearbank, according to delivery versus payment (DvP) principle. Cash settlement of trades is realized in the currency in which the securities are denominated.

During the year, Foreign Securities Market was engaged in various studies aimed at following the new trends in foreign securities trading and developing strategies suitable for such trends, at examining trading methods and thereby developing trading rules that will increase the volume, liquidity and price discovery efficiency. Such studies will continue well into the future.

In order to create awareness of the advantages of public offering and examining cooperation opportunities, presentations were delivered at “Balkans Turkish Economy Forum” and “Taiwan Investment Forum”.

In line with the efforts to introduce more foreign securities in İMKB during the second half of 2012, Foreign Securities Market officials participated in and delivered presentations in numerous domestic and international events in order to create awareness in foreign companies of the advantages of public offering and being traded on İMKB and examining cooperation opportunities. These events include the “Balkans Turkish Economy Forum” held in Bucharest, Romania on October 30; “Taiwan Investment Forum” held at Istanbul The Marmara Hotel on November 6; and “Southeast Europe Business Forum” held at İstanbul Congress Center on November 22-23.

LISTING
ACTIVITIES AND
EFFORTS FOR
ENCOURAGING
IPO

During the year,
26 companies raised
total funds of
₺ 618.6 million through
initial public offerings,
and 1 company raised
funds equal to
₺ 4.6 billion through
secondary public
offering.

Initial Public Offerings (IPO)

The increased interest in the Turkish economy and capital markets thanks to the efforts carried out within the framework of the Initial Public Offering (IPO) Campaign led to a successful performance in terms of the number of initial public offerings in 2012.

During the year, 26 companies raised total funds of TL 618.6 million through initial public offerings, and 1 company raised funds equal to TL 4.6 billion through secondary public offering. There was a significant increase in the private sector borrowing instrument issues in 2012, with issuers raising a total of TL 42,749 million from 240 instruments.

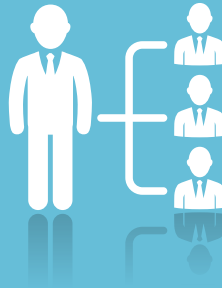
Funds Raised through Security Issues in 2012

Type of Security	No. of Issues	Funds Raised through Public Offering (₺ million)
Equities	27	5,133.5
-Initial Public Offering (IPO)	26	618.6
-Secondary Public Offering	1	4,515
Debt Securities (Bonds/Bills)	240	42,749.1
-Issued through Public Offering	124	37,601.8
-Issued through Sales to Qualified Investors	73	4,455.6
-Asset-backed Security Issues	43	691.7
Exchange Traded Funds	4	4.4
TOTAL	271	47,887.1

No. of Companies with Equities Traded on İMKB	2011	2012	Change (%)
	363	406	11.8

No. of Other Securities Traded on İMKB

Type of Security	2011	2012
Exchange Traded Funds (ETF)	12	16
Private Sector Bonds	29	100
Private Sector Bills	21	61
Warrants	105	281
Certificates	-	50
Asset-Backed Securities	6	37
Lease Certificates (US\$ denominated)	-	1
Lease Certificates (TL denominated)	-	1
International Bonds (₺ denominated)	19	19
International Bonds (€ denominated)	6	5



26
Companies

Three on National Market, 12 on Second National, one on Collective Products, and 10 on Emerging Companies Market.



20
Companies

Four companies started trading without being publicly offered, and 16 companies started trading on the Free Trade Platform.

INITIAL PUBLIC OFFERING

SECONDARY PUBLIC OFFERING

4.6
Billion

Halkbank's secondary public offering was the largest share sales in the history of the Turkish Exchange.



CAPITAL MARKETS DEEPEN

COMPANIES THAT START TRADING

DEBT SECURITY ISSUES

42.7
Billion

Companies raised 42.7 billion from 240 debt securities



LISTING
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In line with the efforts on the New Capital Markets Law, İMKB started to work on updating the listing legislation as well as the re-structuring of İMKB markets and decreasing the listing costs.

Nominal Value of the Securities Listed/Traded on İMKB

Type of Security	2011	2012	% Change
Equities (₺)	86,479,904,400	92,514,980,026	6.98
Exchange Traded Funds (₺)	2,651,200,000	3,451,200,000	30.18
Private Sector Bonds (₺)	3,595,041,902	8,936,202,138	148.57
Private Sector Bills (₺)	8,960,458,098	17,240,543,517	92.41
Warrants (₺)	95,015,000	185,002,000	94.71
Asset-Backed Securities	165,490.15	627,822,937	279.37
International Bonds (US\$ denominated)	34,500,000,000	38,000,000,000	10.14
International Bonds (€ denominated)	7,500,000,000	6,500,000,000	-13.33
Lease Certificates (US\$ denominated)	0	1,500,000,000	-
Lease Certificates (₺ denominated)	0	1,624,482,560	-

Trades Realized in the Wholesale Market

Comparison of the total sales volume in the Wholesale Market in 2011 and 2012 is below.

	2011	2012
Wholesale Market No. of Trades	12	15
Wholesale Market Traded Value (₺)	265,638,939	951,347,921

New Legal Arrangements and New Capital Markets Instruments

As a result of the arrangements applied in 2012, lease certificates started to trade on the Debt Securities Market for the first time. Furthermore, listing and trading principles for certificates, which are similar to warrants, were stipulated during the year and certificates issued by intermediary companies started to trade on the Collective Products Market.

Efforts to Encourage Public Offering

Initial Public Offering (IPO) Campaign, initiated by the cooperation protocol signed on August 7, 2008 by İMKB, the Union of Chambers and Commodity Exchanges of Turkey (TOBB), Capital Markets Board of Turkey (CMB), and the Association of Capital Market Intermediary Institutions of Turkey (TSPAKB) with a view to allowing companies to benefit from the opportunities offered by the capital markets, continued in 2012.



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During the year, visits were paid to 180 companies, mainly those included in İstanbul Chamber of Industry's list of 500 largest companies on the basis of production and sales size, in order to increase awareness on public offering.

Within this framework, a series of IPO summits were organized, first in İstanbul on May 6-7, 2010, the second in Bursa on November 23-24, 2010, and the third, in İzmir on October 31. The Summits aim at bringing together the executives of leading Turkish companies that are not traded on İMKB, with intermediary institutions operating in the public offering process, independent audit firms, legal consultants, domestic and international private equity funds seeking investment opportunities in Turkey, institutional investors and sectorial associations. Furthermore, seminars on IPO were organized:

- in cooperation with Ankara Chamber of Industry in Ankara on April 4,
- in cooperation with Trabzon Chamber of Industry and Commerce in Trabzon on May 22,
- in cooperation with Kayseri Chamber of Industry in Kayseri on October 4,
- in cooperation with Denizli Chamber of Commerce in Denizli on November 1,
- in cooperation with Kütahya Chamber of Industry and Commerce in Kütahya on November 19,

- in cooperation with İzmir Atatürk Organized Industrial Zone in İzmir on November 21,
- in cooperation with Samsun Chamber of Industry and Commerce in Samsun on December 5.

In addition to these seminars, informative meetings and other events on IPO were realized, aimed at leading non-governmental organizations whose members are industrials.

During the year, visits were paid to 180 companies, mainly those included in İstanbul Chamber of Industry's list of 500 largest companies in order to increase awareness on public offering.

İMKB is planning to continue its efforts on encouraging initial public offering in various cities with the participation of chambers of industry and commerce, and thereby help accelerate the development of Turkish capital markets.





“If you want to open up to the world, you first have to go public and utilize the strength of the Stock Exchange...”

SÜLEYMAN ASLAN
General Manager, Halkbank

We are planning to continue our efforts on encouraging initial public offering in various cities with the participation of chambers of industry and commerce, and thereby help accelerate the development of the Turkish capital markets.

Initial Public Offerings

Equity Market

	Company	First Trading Day	Market
1	Özak Gayrimenkul Yatırım Ortaklığı A.Ş.	February 15	Collective Products
2	Taraf Gazetecilik Sanayi ve Ticaret A.Ş.	March 2	Second National
3	Niğbaş Niğde Beton Sanayi ve Ticaret A.Ş.	March 5	Second National
4	Dylum Sınai Yatırımlar A.Ş.	May 4	Second National
5	Orge Enerji Elektrik Taahhüt A.Ş.	May 15	Second National
6	Prizma Pres Matbaacılık Yayıncılık A.Ş.	May 15	Second National
7	Teknosa İç ve Dış Tic. A.Ş.	May 17	National
8	Polisan Holding A.Ş.	May 24	Second National
9	Ar Tarım Organik Gıda A.Ş.	May 31	Second National
10	TGS Dış Tic. A.Ş.	June 7	Second National
11	Flap Kongre Toplantı Hizmetleri Otomotiv ve Turizm A.Ş.	June 29	Second National
12	Akdeniz Güvenlik Hizmetleri A.Ş.	July 3	Second National
13	Karakaş Atlantis Kıymetli Madenler Kuyumculuk Telekomünikasyon San. ve Tic. A.Ş.	August 3	National
14	Ulaşlar Turizm Yatırımları ve Dayanıklı Tüketim Malları Ticaret Pazarlama A.Ş.	August 6	Second National
15	Atlantik Petrol Ürünleri San. ve Tic. A.Ş.	October 15	Second National
16	Tümösan Motor ve Traktör San. A.Ş.	December 5	National

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As part of the efforts within the framework of the Initial Public Offering Campaign, the third initial public offering summit, which brought together the chairmen and top executives of the leading companies of Turkey which are not traded on İMKB, intermediary institutions, independent audit firms and law firms that offer public offering services, and domestic and foreign private funds, institutional investors and sectorial associations was held in İzmir.

Equities that Started Trading on the Emerging Companies Market (ECM)

Company	Stated to trade on	Market
1 Osmanlı Menkul Değerler A.Ş.	February 27	ECM
2 Hitit Holding A.Ş.	March 9	ECM
3 Beyaz Filo Oto Kiralama A.Ş.	March 28	ECM
4 Sanifoam Sünger Sanayi ve Tic. A.Ş.	April 18	ECM
5 Mega Polietilen Köpük San. ve Tic. A.Ş.	May 18	ECM
6 MCT Danışmanlık A.Ş.	May 30	ECM
7 Etiler İnci Büfe Gıda San. ve Dış Tic. A.Ş.	July 16	ECM
8 Denge Yatırım Holding A.Ş.	August 2	ECM
9 Taze Kuru Gıda San. ve Tic. A.Ş.	October 19	ECM
10 Baysan Trafo Radyatörleri San. ve Tic. A.Ş.	December 7	ECM

Secondary Public Offering

Company	Stated to trade on	Market
Türkiye Halk Bankası	November 20	National Market

Other Companies that Started Trading

Equities of Companies that Started Trading without being Offered to the Public

Company	Stated to trade on	Market
1 Acıselan Acıpayam Selüloz San. ve Tic. A.Ş.	July 6	Second National
2 Karsusan Karadeniz Su Ürünleri A.Ş.	July 24	Second National
3 Jantsa Jant San. ve Tic. A.Ş.	August 28	Second National
4 Kombassan Holding A.Ş.	November 23	Second National

Equities of Companies that Started Trading on the Free Trade Platform (FTP)

Company	Stated to trade on	Market
1 Ostim Endüstriyel Yatırımlar ve İşletme A.Ş.	May 10	FTP
2 Halk Sigorta A.Ş.	May 28	FTP
3 Sodaş Sodyum Sanayi A.Ş.	May 31	FTP
4 Uzertaş Boya Sanayi Ticaret ve Yatırım A.Ş.	July 9	FTP
5 Merit Turizm Yatırım ve İşletme A.Ş.	July 10	FTP
6 Ayes Akdeniz Yapı Elemanları Sanayi ve Ticaret A.Ş.	July 12	FTP
7 Baştaş Başkent Çimento Sanayi ve Tic. A.Ş.	July 19	FTP
8 Yonga Mobilya Sanayi ve Tic. A.Ş.	July 19	FTP
9 Asil Çelik Sanayi ve Tic. A.Ş.	July 27	FTP
10 Yibitaş Yozgat İşçi Birliği İnşaat Malzemeleri Ticaret ve Sanayi A.Ş.	August 9	FTP
11 Balatacılar Balatacılık Sanayi ve Ticaret A.Ş.	August 13	FTP
12 Diriteks Diriliş Tekstil Sanayi ve Ticaret A.Ş.	August 28	FTP
13 Kuyumcukent Gayrimenkul Yatırımları A.Ş.	September 18	FTP
14 İşbir Holding A.Ş.	October 23	FTP
15 Kuştur Kuşadası Turizm Endüstrisi A.Ş.	October 23	FTP
16 Orma Orman Mahsülleri İntegre San. ve Tic. A.Ş.	November 15	FTP

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Borsa İstanbul offers market depth and basic data to tens of thousands of domestic and foreign users through more than a hundred data vendors.



MARKETING AND SALES ACTIVITIES

In accordance with the Board's resolution, İMKB started to sell the "parties to trade" data, showing the buying and selling parties to a trade, in a modular package that can be added to "Equity Market Level 1+" and "Equity Market Level 2" applicable as of February 1, 2013.

Equity Market Member Relations Committee, created in order to find out the requirements and demands of the market participants, to make the necessary arrangements and to mutually evaluate the new practices to be applied in the market, continued to meet on a regular basis in 2012.

In accordance with the Board's resolution, İMKB started to sell the parties to trade data, showing the buying and selling parties to a trade, in a modular package that can be added to "Equity Market Level 1+" and "Equity Market Level 2" applicable as of February 1, 2013.

İMKB received consultancy services on İMKB's data dissemination policy from Rights Management Associates Ltd., known for its wide experience and references including Deutsche Börse, NYSE Euronext, London Stock Exchange (LSE), and Tadawul (Saudi Arabia), for the purposes of examining İMKB's data dissemination contract in consideration of international standards and practices, determining the deficiencies in implementation and offering solutions, comparing the data dissemination policy with the implementations abroad, determining the opportunities to increase the data dissemination revenues, making suggestions towards making İMKB a regional data distribution center, and evaluating its pricing policy. In accordance with the reports presented, efforts on updating the current practices and examining the data dissemination models in the emerging and developed markets are in progress.



Following the merger of İMKB and İstanbul Gold Exchange in accordance with the new Capital Markets Law, effort was made to arrange new data packages for the Precious Metals and Precious Gems Market. Furthermore, studies on data dissemination for İMKB-TURKDEX merger which will be realized in accordance with the new Capital Markets Law were initiated.

The number of data vendors and sub-vendors stood at, respectively, at 29 and 180 (new data vendors of 2012 are İntegral Menkul Değerler A.Ş., Doğuş Yayın Grubu A.Ş., Instinet Holdings Incorporated, Liquidnet Europe Limited, Saxo Bank A/S, NYSE Technologies SAS). The total number of data package users announced in the Public Disclosure Platform was 682,185 as of December 2012.

New data package for the Futures & Options Market which was launched in December 2012 was completed and offered for sales.

Following the merger of İMKB and İstanbul Gold Exchange in accordance with the new Capital Markets Law, effort was made to arrange new data packages for the Precious Metals and Precious Gems Market. Furthermore, studies on data dissemination for İMKB-TURKDEX merger which will be realized in accordance with the new Capital Markets Law were initiated.



AUDIT AND SURVEILLANCE ACTIVITIES

As part of the auditing activities, disputes between İMKB members and investors were examined and the authenticity of İMKB data vendors' statements and compliance with the Data Dissemination Agreement were examined.

Auditing Activities

Auditing of members were carried out in response to investors' notifications and complaints. In addition to that, a report was prepared and sent to CMB, as a result of the comprehensive screening audit performed with İMKB-member brokerage houses in order to contribute to their harmonization with the capital markets regulations, and to evaluate their internal audit systems. Furthermore, brokerage houses were advised by a General Letter for the immediate correction of the deficiencies and for ensuring that the necessary measures are taken.

As part of the auditing activities, disputes between İMKB members and investors were examined and the authenticity of İMKB data vendors' statements and compliance with the Data Dissemination Agreement were examined. Additionally, special audits were conducted on the authenticity of off-Exchange fixed income security trades that brokerage houses are required to register with İMKB and on the applications for correction or cancellation of faulty notifications.



Training was provided for brokerage houses' staff working in audit, control and risk management departments for the purpose of improving brokerage houses' internal audit systems, strengthening their harmonization with the current legislation, and informing them on surveillance activities.

Market Surveillance Activities

In order to ensure the trading of securities in a reliable and stable environment, and to prevent any actions against the Capital Markets Law or those that might hinder the transparent, orderly and fair functioning of the markets; the unusual price movements and traded values in the securities markets, particularly İMKB Equity Market, were monitored and reported through the electronic surveillance system. Any issues potentially in conflict with the capital markets legislation, detected as a result of the examinations carried out on İMKB's and İMKB members' records were reported to the Capital Markets Board for further investigation, while cases in conflict with İMKB legislation were reported to the relevant departments and committees of İMKB.

As part of market surveillance, Precautions on Investor Basis system was introduced in early September 2012. With this arrangement, İMKB started to implement a five-phase measures package against investors that engage in orders or trades prohibiting the realization of trading on İMKB in an open, orderly and fair fashion.

As part of market surveillance, Precautions on Investor Basis system was introduced.

Such precautions include, in order of implementation:

- Informing the related investor,
- Announcement of the related investor's identity or legal entity information on the Public Disclosure Platform,
- Cross-netting requirement for the related investor,
- Pre-deposit requirement for the related investor,
- Temporary order rejection (boycott).

The evaluation of the results of the Precautions on Investor Basis system shows that it has been successful in decreasing the number of orders or trades prohibiting the realization of trading on İMKB in an open, orderly and fair fashion, and that it has been well received by the market participants.

In addition to the regular surveillance and monitoring activities, the Audit and Surveillance Board made the necessary examinations with respect to the investor complaints on İMKB members and trades on İMKB, in accordance with İMKB legislation.

INFORMATION TECHNOLOGY

The Primary Data Center project is aimed at renewing the current data center; establishing a Common Data Center and a Common Communication Platform, under the Common Technology Platform, which is an action under İstanbul Financial Center project; and offering co-location services in the near future.

FixAPI Project

In addition to the order transmission methods used in the Equity Market, namely, broker terminal and ExAPI, the preparations and tests for a "FIX (Financial Information Exchange) Protocol" based order transmission infrastructure were initiated in 2012, and the new Protocol is planned to be launched in 2013. Thereby, İMKB members will be able to transmit orders to the System by three different methods. As the FIX protocol, which is used in other markets as well, becomes operational, İMKB members will be allowed to collect orders and send such orders to the System at international standards.

Equity Market Trading System Renewal

The Equity Market currently operates on Stratus V-500 system. By nature, the most critical source is the processor CPU and it operates at 60-70 percent capacity at times of intensive trading. It was decided that the server hardware should be replaced with a stronger model in order to increase the system's order processing capacity.

Towards this purpose, the V-6408 model system, which is known to have nearly double the performance compared to the current system, was targeted. The system's harmony with the current market software as well as its performance were subjected to adjustments and tests at Stratus' laboratories in Massachusetts, U.S., and it was determined that the system works in full harmony with the Equity Market applications, and offers nearly double the current performance.

The system was purchased for use at both İMKB and the Disaster Recovery Center at end-2012, and will be operational upon completion of the test process.

Wide Area Network Project

The connection speed of all of the Equity Market members was increased to 2 Mbps in October, and the infrastructure required to increase the number of orders that members send to the market per second was provided. In the case of members, whose line speed was not increased to 2 Mbps due to the problems in the copper cable infrastructure, were offered this facility through fiber infrastructure. Parallel with the efforts to increase speed, all members that filed requests were allowed to use the fiber infrastructure. For the members that started to use the fiber infrastructure, in order to back up the members' connections to Türk Telekom network, studies with Superonline were completed, thereby allowing members to connect to İMKB over an alternative telecommunications operator at redundancy. The connections of 30 İMKB members that wanted to use the fiber infrastructure were transferred to TT and Superonline's MPLS networks. In line with their applications, the process of transferring members to fiber infrastructure is in progress.

Primary Data Center

The Primary Data Center project is planned to be completed in 2013. This project is aimed at renewing the current data center; establishing a Common Data Center and a Common Communication Platform, under the Common Technology Platform, which is an action under İstanbul Financial Center project; and offering co-location services in the near future.





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ÖZLEM DENİZMEN
President, Financial Literacy Society

Data Dissemination

NYSE Technologies started to receive the Equity Market data for dissemination in December 2012.

Interactive Data Pricing and Reference Data company completed the development and test studies during 2012 and will start to receive the Equity Market and Debt Securities Market data for dissemination in January 2013.

Member Automation Services

The Member Automation Software and support for such software, which have been offered to İMKB-member intermediary institutions free-of-charge since 2006 will start to be charged in the beginning of 2013. The contract prepared for this purpose has been signed by the intermediary institutions that use the software, which will start to be invoiced quarterly. Within the framework of the said contract, charging will be made under three different headings; namely, the Basic Module including the Accounting Based Equities, Bonds/Bills and İMKB Money Market transactions; Leading Underwriter Option; and Fund Management Module, and support in excess of 10 hours monthly as well as special software requests are subject to extra charges. The efficiency of the member automation program will be strengthened upon integration with the Futures and Options Module and FIX protocol.

Fund Market Project

Fund Market project is aimed at providing a platform to allow investors to trade the funds issued by banks, intermediary institutions or portfolio companies by all participants, rather than only through the founding companies. With this Project, fund orders will be sent to the Equity Market Trading System via ExAPI terminals, which, in turn, will send the fund orders to Takasbank Fund Market via web services over İMKB Web Service Server that will be developed for the Fund Market. The project is planned to be operational in early 2013.

Efforts on the Common Technology Platform

Efforts on the Common Technology Platform planned as part of İstanbul International Financial Center project have continued during the year. The initial step was to ensure that all partners use a common electronic infrastructure. The second target was planned as determining common working standards for information security, project and business continuity management disciplines in order to add to the co-working culture and synergy. The partners are the securities exchanges, market operators and settlement and custody institutions. Efforts on a Common Technology Platform, to which such partners, the members they serve and foreign networks are connected on redundancy basis continued during the year. The operation, maintenance and security of the Common Technology Platform will be provided by a designated partner. As a result of the studies and evaluations on the Common Technology Platform that have been realized so far, the related institutions were advised that it would be more appropriate to concretize this action no earlier than 2013.

Disaster Recovery Center Moved to Ankara

Within the framework of İMKB Business Continuity processes, the Back-Up Center Venue in Takasbank building, which was called “temporary” due to its limitations, has been used until October 2012. After that, in accordance with İMKB management’s instructions, endeavors on establishing a “Disaster Recovery Center” outside İstanbul, which is not subject to the limitations and risks of the Back-Up Center Venue were initiated.

As a result of the research carried out within this framework, the Data Center services provided by Türk Telekom (TT) in Ümitköy, Ankara were examined and found appropriate for use as Disaster Recovery Center. In addition to the logistical and geographical advantages of the venue, the fact that it hosts the back-up centers of other capital markets institutions such as Takasbank and Central Registry Agency, and is therefore advantageous in terms of operation and communication costs, was central to this decision.

Therefore, all the systems and equipment in the temporary back-up center were moved to Ankara on October 25-28, and İMKB Disaster Recovery Center has been operating in Ankara since then. A two-phase disaster scenario test was realized for İMKB Disaster Recovery Center with the participation of the Information Technology Department and all İMKB business units.

RELATIONS WITH INVESTMENT COMPANIES

Initial and annual membership fees of the current members were revised on the basis of the markets they operate in.

Regulation on İMKB Membership and Membership Principles was published in the Official Gazette no. 28491, dated December 8, and went into force. This Regulation stipulates the membership fees payable by the new-comer intermediary institutions on the basis of the markets they will operate in, considering their interests.

Similarly, the annual membership fees of the current members were revised on the basis of the markets they operate in, and will be applicable in 2013. As part of the efforts to reduce the members' trading costs to a minimum, discounts were applied on the Equity Market and extra order capacity usage fees. In addition to the 2 terminals allocated to each member operating in the Equity Market for an indefinite period, extra terminals were made available by a tender. A tender was opened to fulfill the members' additional terminal requests for the Debt Securities Market.

In order to ensure that İMKB human resources are used efficiently, mailing costs are reduced, and intermediary institutions provide more efficient monitoring, in accordance with article 35 of the Capital Markets Board's Communiqué V, No: 65, İMKB stopped to issue General Letters to announce client defaults. Instead, İMKB started to electronically announce client default lists electronically only, through the "members only" field.

Information regarding İMKB members, including their partnership structure, was updated and announced to the public on İMKB web site (www.imkb.gov.tr/Members/MembersGeneralInfo.aspx).

In 2012, the trades that İMKB members realized on İMKB Equity Market, Emerging Companies Market, and Free Trade Platform for and on behalf of foreign banks, brokerage houses and real persons continued to be announced on both PDP and İMKB web site on a monthly basis.

The related amounts were transferred to the relevant bankruptcy agencies for payment to the creditors of 2 intermediary institutions that went bankrupt in 2012, from the Special Fund established in accordance with the Law no. 4487.



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Güler Sabancı, Sabancı Holding Chairman



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**BORSA
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INFORMATIVE ACTIVITIES

Since November 2012, “Rights Exercising” notices have been received from companies in the form of processable data.

Public Disclosure Platform (PDP)

Public Disclosure Platform, developed as a result of the joint efforts of CMB, İMKB and the Technical Research Council of Turkey (TÜBİTAK-UZAY) Space Technologies Research Institute, is an electronic system through which the announcements that must be disclosed in accordance with the capital markets and İMKB legislation are sent by electronic signature and disclosed.

The system became operational on June 1, 2009, and can be accessed at the address: www.kap.gov.tr. PDP announcements are disseminated by 16 data vendors and 17 sub-vendors.

PDP covers more than 600 companies, 445 investment funds and over 2,500 users including all companies and exchange traded funds whose, respectively, capital markets instruments and participation certificates are traded on İMKB, İMKB-member brokerage houses and all independent auditors registered with the CMB.

www.kap.gov.tr visitor analysis for 2012

Daily average number of visits to PDP web site	48,132
Average number of pages displayed in each visit	16.35
Average duration of each visit (minutes)	10:43
Average number of pages displayed	541,102

Starting from June 2012, investment funds are required to fulfill their public disclosure obligations on PDP, where “Investment Fund Information Form”, “Prospectus”, “Circular”, “Internal Regulations”,

“Financial Report” and “Fund Expenses Information” are announced.

Since November 2012, “Capital Increase/Decrease”, “Dividend Payment”, “Merger-Acquisition”, “General Assembly” and “Registered Authorized Capital”, generally defined as “Rights Exercising” notices have been received from companies in the form of processable data. With the new application, notices for exercising rights are received on ISIN basis, which is the universal security definition code, and directly sent to foreign investors by SWIFT system through the Central Registry Agency.

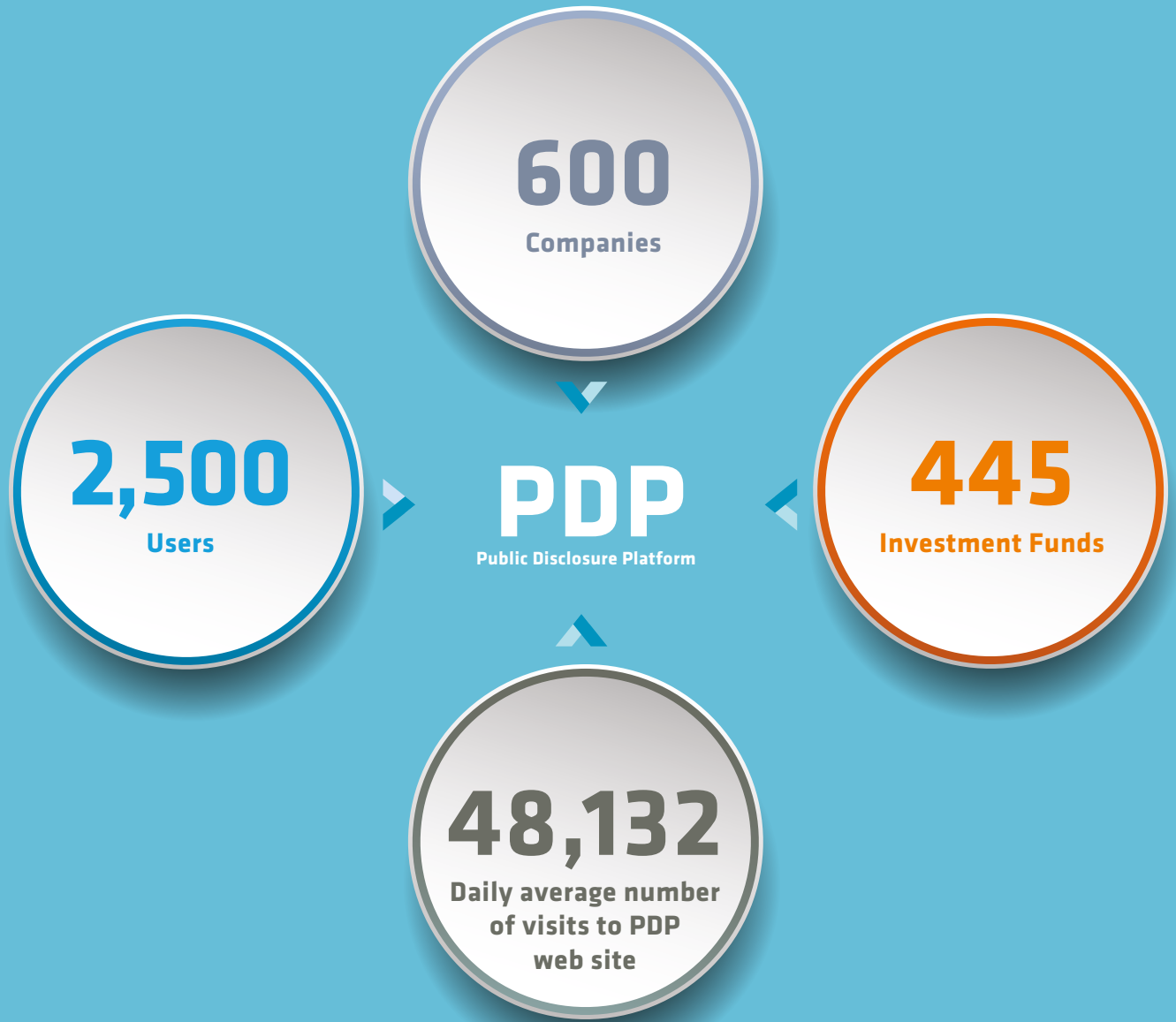
Development projects include renewing the PDP web site, improving the web site in English, and a software revision for fulfilling the public disclosure requirements of pension funds on PDP.

İMKB Web Sites

İMKB’s web site in Turkish www.imkb.gov.tr offers information to investors on the securities traded, market data and operations, listed companies, training materials, indices, the procedure for listing and being traded on İMKB, intermediary institutions and capital markets legislation.

Efforts to improve the content and design of İMKB web sites continued in 2012. Pages and features related to the new products and markets, particularly written/visual training materials were added to the web sites.

Design studies on the web site have been initiated, and the new site is due for launch in 2013.



3,127
E-mails received

2.132 have been replied
995 have been sent to the relevant departments for reply



5 million
E-mails received

www.imkb.gov.tr



40,000
Visitors

www.halkaarzseferberligi.com

INFORMATIVE ACTIVITIES

İMKB web sites in Turkish and English received, respectively, close to four million and one million visits in 2012.

All news and notifications about the companies traded on İMKB, particularly initial public offerings, are announced to the public via İMKB web site www.imkb.gov.tr. Furthermore, IPO ceremonies are broadcast online over İMKB web site.

İMKB web sites in Turkish and English received, respectively, close to four million and one million visits in 2012.

The web site entitled www.halkaarzseferberligi.com, developed in order to encourage companies to go public, was visited 40,000 times in 2012.

The web site offers information on:

- The procedure for initial public offering and trading on the Exchange,
- Authorized intermediary institutions and independent auditors,
- Initial public offering applications,
- Events regarding initial public offering.

Electronic Training Portal (www.bilincliyatirimci.org)

Within the framework of Investor Campaign, İMKB completed the preparations to create an informative and promotional e-training platform for investors. The portal www.bilincliyatirimci.org, which contains predominantly visual interactive training modules, went live in March 2012. Promotion efforts were made through banners and other similar instruments on numerous web site platforms.

Investor Information Services

In 2012, all investor applications sent to İMKB in written form through e-mail and facsimile, and orally through telephone, were convened under a single center, namely, the Investor Consultancy Center (ICC). ICC functions under Corporate Communications, and served to efficiently advise investors on their rights and obligations, and inform them on İMKB regulations and practices.



As part of the Investor Campaign, Investor Consultancy Center officials delivered presentations at Bayburt, Sivas Cumhuriyet, Eskişehir Anadolu, Eskişehir Osmangazi, and İstanbul Marmara Universities.

As “İMKB e-mail coordinator”, Investor Consultancy Center replied 2,132 of the 3,127 e-mails requesting information or making comments and/or filing complaints, sent to İMKB through the web sites www.imkb.gov.tr and www.bilincliyatirimci.org in 2012. The remaining 995 applications were referred to the relevant departments for reply.

Visit programs for 45 groups including 1,925 participants from various institutions/universities were arranged in 2012. The groups were delivered presentations on İMKB and Turkish capital markets and were given informative İMKB publications.

As part of the Investor Campaign, Investor Consultancy Center officials delivered presentations at Bayburt, Sivas Cumhuriyet, Eskişehir Anadolu, Eskişehir Osmangazi, and İstanbul Marmara Universities.

Visit programs for 45 groups including 1,925 participants from various institutions/universities were arranged in 2012.

Activities of Right to Information Unit

During the year, in accordance with the “Right to Information Law”, regulating the substance and procedures of individuals’ right to information, and the “Regulation on the Principles and Procedures Regarding the Implementation of the Right to Information Law”, 624 applications were filed with İMKB Right to Information Unit.

Applications to İMKB Right to Information Unit can be made through petitions, e-mail or facsimile and with the exception of cases restricted by the current legislation, applications are processed by İMKB departments on the basis of the information and documents they keep or required to keep for their functions.

It is also worth noting that in accordance with article 30 of the Right to Information Law no. 4982 and article 44 of the Regulation on the Principles and Procedures Regarding the Implementation of the Right to Information Law which went into force upon the Council of Minister’s decision no. 2004/7189 dated April 19, 2004, the report on applications made to the Right to Information Unit was sent to the Grand National Assembly of Turkey through the Right to Information Evaluation Board.

INTERNATIONAL RELATIONS

Chairman & CEO İbrahim M. Turhan Ph.D. was elected as member of the Board of the World Federation of Exchanges (WFE) for the period 2012-2014.

International Membership

During 2012, İMKB has been represented in the General Assembly, Board of Directors, Working Committee and other meetings of the international institutions of which it is a member. Included in these meetings are the General Assembly meetings of the World Federation of Exchanges (WFE) in Taipei, Federation of Euro-Asian Stock Exchanges (FEAS) in Sofia, and Federation of European Securities Exchanges (FESE) in Brussels, as well as other meetings of WFE held in Stockholm, Paris and New York, and of FEAS and FESE held in İstanbul.

İMKB is represented in the WFE Working Committee; Regulation Task Force; Communications Task Force; Environmental, Social, Corporate Governance (Sustainability) Task Force; and Statistics Advisory Group. İMKB Chairman & CEO is a Board member of WFE.

İMKB is represented in the FEAS Rules and Regulation Task Force. İMKB also chairs FEAS and the Secretary General of FEAS is from İMKB.

İMKB's other international memberships include International Capital Markets Association, European Capital Markets Institute, International Organization of Securities Commissions, Islamic Financial Services Board, International Islamic Financial Market,

Extensible Business Reporting Language and Software and Information Industry Association's Financial Information Services Division. İMKB also supports the United Nations (UN) Global Compact and UN Principles of Responsible Investment (UNPRI) and Sustainable Stock Exchanges Initiative (SSE). İMKB became a member of Intermarket Surveillance Group (ISG) in 2012. Organization of Islamic Cooperation (OIC) Member States' Stock Exchanges Forum has been carrying out its activities under İMKB's coordination since 2005.

Federation of European Stock Exchanges (FESE)

İMKB is the 21st full member of the Federation of European Stock Exchanges (FESE), founded by a few European exchanges in 1974. FESE aims at promoting public recognition of the exchanges and their contribution to the European and global economy and fostering the global competitiveness of the member exchanges.

İMKB has been represented in numerous meetings organized by FESE throughout 2012. As an international conference discussing the agenda of the European capital markets, FESE Convention has been held annually since 1997. FESE Convention 2012 was hosted by İMKB in İstanbul on June 20-21 with the participation of the member exchanges.



INTERNATIONAL MEMBERSHIPS



World Federation of Exchanges (WFE)



Federation of Euro-Asian Stock Exchanges (FEAS)



Federation of European Securities Exchanges (FESE)



International Capital Market Association, (ICMA)



International Islamic Financial Market (IIFM)



Islamic Financial Services Board (IFSB)



International Organization of Securities
Commissions (IOSCO)



Sustainable Stock Exchanges Initiative (SSE)
Software and Information Industry



United Nations Principles of Responsible
Investment (UNPRI)



Association's Financial Information Services
Division (SIIA/FISD)



United Nations Global Compact



Extensible Business Reporting Language (XBRL)



European Capital Markets Institute (ECMI)



Intermarket Surveillance Group (ISG)

INTERNATIONAL
RELATIONS

FEAS's mission is to contribute to the development of its member exchanges and the capital markets of Eurasia. Towards this purpose, FEAS prepares and distributes various publications, organizes training programs and develops guidelines for its members, and contributes to the globalization and harmonization of the member exchanges.

Federation of Euro-Asian Stock Exchanges (FEAS)

Federation of Euro Asian Stock Exchanges (FEAS), initiated by İMKB with 12 members in İstanbul back on May 16, 1995, has 34 members and 16 affiliate members in 30 countries.

FEAS prepares and distributes various publications, organizes training programs and develops guidelines for its members, and contributes to the globalization and harmonization of the member exchanges.

İMKB hosted the FEAS Working Committee & Euro Asia Summit on May 25. The Summit brought together FEAS member exchanges and companies traded on such exchanges, FEAS member post-trade institutions and intermediary institutions associations, domestic and foreign investors, brokerage houses and banks, and portfolio management companies, and offered the participants the opportunity to receive information on the Eurasia Region and markets and hold one-to-one meetings.

OIC Member States' Stock Exchanges Forum

The Organization of Islamic Cooperation (OIC) Member States' Stock Exchanges Forum was initiated with a decision taken in line with the request made by the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation (COMCEC) for launching a framework of cooperation among the OIC stock exchanges, and has been functioning under the coordination of İMKB since 2005. İMKB hosted the sixth annual meeting of the Organization of Islamic Cooperation (OIC) Member States' Stock Exchanges Forum on September 26th. Prior to the Forum meeting, a half day conference entitled "Collateralization and Tri-party Arrangements for Islamic Securities" was organized in cooperation with the International Islamic Financial Market (IIFM). The Forum's efforts on creating a joint Islamic index have been completed. Entitled "S&P OIC COMCEC 50 Shariah Index", the Index is aimed at adding to the visibility of OIC countries' capital markets and strengthening the cooperation among the member exchanges, and was launched on June 25.





“The world’s first known securities exchange was built on this Land. Steeped in 140 years of experience, Borsa İstanbul will be Turkey’s new rising value. “

KEREM ALKIN
Lecturer, Istanbul
Commerce University

Memoranda of Understanding with Macedonia, Casablanca, Egypt, Singapore, Tunis and Libya stock exchanges were signed.

The Index includes 50 companies traded on OIC Member States' Stock Exchanges Forum members, namely Bahrain, Bangladesh, United Arab Emirates, Indonesia, Morocco, Ivory Coast, Qatar, Kazakhstan, Kuwait, Lebanon, Malaysia, Egypt, Nigeria, Oman, Pakistan, Saudi Arabia, Tunis, Turkey and Jordan. The Index is expected to contribute to expanding the Islamic financial products market and to add to the visibility of OIC Member States' Stock Exchanges, while providing an underlying for exchange traded funds and other similar financial products.

International Cooperation

As part of the efforts to strengthen international cooperation, Memoranda of Understanding (MoU) were signed with Macedonian Stock Exchange on May 4, Bourse de Casablanca on June 21, the Egyptian Exchange on June 22, Singapore Exchange and Toshkent Republican Stock Exchange on September 6, Bahrain Bourse on September 24, Tunis Stock Exchange on November 1, and Libyan Stock Market on November 16.

Efforts for cross listing of exchange traded funds with Tokyo Stock Exchange and Korea Exchange, and for market linkage with the Egyptian Exchange were initiated during the year.

Within the framework of the cooperation with Wiener Börse, “IBTX” (Istanbul Traded Index) and “IBTX Banking” indices started to be calculated. IBTX includes the 20 İMKB-traded companies with the highest traded value, while IBTX Banking Index comprises the most liquid bank equities traded on İMKB. Structured products such as standard future contracts, warrants, index certificates and Exchange Traded Funds (ETF) may be written on both indices.

İMKB signed an agreement with NYSE Liffe, NYSE Euronext’s European Derivatives Market, for the cross-listing of the single stock future and option contracts on the equities included in İMKB 30 Index and on İMKB 30 Index. Within this framework, single stock future and option contracts written on the equities included in İMKB-30 Index will be traded on the order book of both İMKB and NYSE Liffe, and derivative instruments on İMKB-30 Index will be offered for trading on both markets.

ACTIVITIES

Samples of the first documents regarding the establishment of Dersaadet Tahvilat Borsası (bonds market) and the organization's first letters that are registered with the State Archives General Management and Ottoman Archives Directorate's inventory were displayed in the Exhibition.

Domestic Activities and Visits

İMKB entered the year 2012 with a new management team and a new structuring towards Borsa İstanbul. Deputy Prime Minister Ali Babacan paid a visit to İMKB on January 19, and wished success to the new management team.

İMKB sponsored numerous important domestic and international activities including Human Resources Summit 2012, 10th International Turkish Olympics, Game Theory Society 4th World Congress hosted by Bilgi University, Third İstanbul Finance Summit, Second Turkey Derivatives Conference, which is Turkey's first international derivatives conference, Atlantic Council Energy and Economic Summit 2012, and the 11th Industry Congress and Innovation Fair organized by İstanbul Chamber of Industry.

Furthermore, İMKB hosted various activities and events including:

- The 2012 annual meeting of the Corporate Governance in the Middle East and North Africa (MENA) Exchanges Project it carries out in cooperation with the Capital Markets Board and OECD, on June 22,
- The İstanbul Gathering of Asian Stock Exchanges with the participation of the representatives of the leading Asian exchanges, honored by Deputy Prime Minister Ali Babacan on September 6,

- The meeting held with the members of 20-20 Investment Association, a leading institution in terms of fund size of over US\$ 8 trillion, on October 1. In addition to the representatives of İMKB, top executives of the Turkish capital markets, intermediary institutions and traded companies participated in the meeting,
- Turkish-Arab Capital Markets Forum (TAF-CM) by Al-Iktissad Wal-Aamal Group (AIWA) in cooperation with the Capital Markets Board and honored by Finance Minister Mehmet Şimşek on November 16,
- The UN Global Compact 2012 Annual Local Network Meeting within the framework of the 10th anniversary celebrations of the United Nations Global Compact on December 18.

On the occasion of the 139th anniversary of the Turkish Exchange, a ceremony was held at İMKB foyer on December 27, and an exhibition entitled "Turkish Capital Markets from the Ottoman Era to the Republic" was opened. Samples of the first documents regarding the establishment of Dersaadet Tahvilat Borsası (bonds market) and the organization's first letters that are registered with the State Archives General Management and Ottoman Archives Directorate's inventory were displayed in the Exhibition. İMKB employees that retired in 2012 or completed their 20 years of service were presented plaques by İMKB Chairman & CEO İbrahim M. Turhan.



İMKB's foreign visitors in 2012 came from a wide range of countries including USA, Germany, Korea, Japan, Belgium, Thailand, China, Bosnia and Herzegovina, Bulgaria, Denmark, Italy, Saudi Arabia, Bahrain, Qatar, Morocco, Tanzania, Russia, Ukraine, Iran, Libya, Kazakhstan and Kyrgyzstan.

International Activities

İMKB was represented with a booth in the international fair entitled "6th International Exchange, Bank and Insurance" held in Tehran, Iran on May 8-11. The Fair aims at bringing together participants, mainly Iranian capital markets actors, with investors. A series of sessions, panels and exhibitions were held as part of the Fair program. Participating institutions promoted their products and shared their experience through the booths they opened in the Fair.

A workshop was held in cooperation with the Sarajevo Stock Exchange (SASE) in Sarajevo on June 28, where Turkish capital markets institutions and companies shared their experience with their Bosnian counterparts. Representatives of İMKB, Turkish Treasury, Capital Markets Board, and Finance Minister of Bosnia-Herzegovina participated in the workshop where presentations on the Turkish and Bosnian capital markets were delivered.

High level meetings with companies and capital markets authorities were held in the United Arab Emirates on September 17-18.

A meeting entitled "Egypt, Turkey & UAE Capital Markets Infrastructure Update" was held in London on December 13, where foreign investors were informed on the Turkish capital markets and the latest developments in İMKB, and issues on the cooperation of the securities exchanges in the region were discussed.

During the year, İMKB hosted more than 100 foreign delegations and student groups from foreign universities.

Delegations Visiting İMKB

During the year, İMKB hosted more than 100 foreign delegations and student groups from foreign universities. The said delegations came from various securities exchanges, securities exchanges federations, capital markets regulatory bodies, institutions from the financial and banking sector, intermediary institutions and other capital markets institutions and law firms.

İMKB's foreign visitors in 2012 came from a wide range of countries including USA, Germany, Korea, Japan, Belgium, Thailand, China, Bosnia and Herzegovina, Bulgaria, Denmark, Italy, Saudi Arabia, Bahrain, Qatar, Morocco, Tanzania, Russia, Ukraine, Iran, Libya, Kazakhstan and Kyrgyzstan. Part of the above cited delegations were received by the Chairman and Executive Vice Chairmen, while others were informed on İMKB and the Turkish capital markets by the International Relations Department staff. For delegations requesting detailed information, meetings were organized with the relevant departments, while training programs were prepared for some delegations.

**ACTIVITIES
RELATED TO
İSTANBUL
INTERNATIONAL
FINANCIAL CENTER
(IFC-İSTANBUL)
PROJECT**

**A Futures & Options
Market Department
was established in
İMKB, where single
stock futures and
options started to
trade. Furthermore,
steps were taken
on introducing new
derivatives products.**

2012 witnessed developments that affected İMKB significantly with regard to the efforts on İstanbul International Financial Center Project (IFC-İstanbul). Capital Market Law no. 6362 that went in force on December 30, 2012 envisages that a new securities exchange under the title "Borsa İstanbul" be established to replace İMKB and that the new Exchange will not be subject to public administration legislation. Thereby, action no. 46, "Clarifying legal status of exchanges and taking them out of the legislation relevant to the public administration" in the Strategy and Action Plan for İstanbul International Financial Center, which was initiated in 2009, was completed. As an active participant in the activities related to the IFC-İstanbul project, İMKB continued its efforts in this regard. İMKB continued to hold internal quarterly meetings where the other issues related to the IFC-İstanbul project, such as market, products, and technological infrastructure development are shared. The officials representing İMKB in the IFC-İstanbul committees were re-designated in 2012, and information on the activities realized with respect to the actions for which İMKB is responsible and the process were collected in an internal common pool, thereby ensuring the monitoring, coordination and announcement of such activities on a regular basis.

İMKB departments realized various activities regarding the IFC-İstanbul Project in 2012. İMKB web site in English was re-designed to allow foreign investors to be informed, while endeavors for notifications in English to be announced on the PDP web site were initiated. Joint efforts were made with other capital markets institutions within the scope of Investor Awareness Campaign, and a cooperation

protocol was signed with Anadolu University. For product and market development purposes, a Futures & Options Market Department was established, where single stock futures and options started to trade. Furthermore, steps were taken on introducing new derivatives products. Infrastructure studies on non-interest bearing financial instruments were initiated, and the support of the Gulf Region was attained, as a result of the meetings held with the relevant institutions and companies of the region.

Within the framework of the activities towards the establishment of a joint technology platform, İMKB participated in the 7th Technology Committee meeting. Efforts to allow access to the fund trading platform in Takasbank through İMKB were completed.

Electronic General Assembly System, which will allow the exercising of shareholder rights in an electronic environment as envisaged by the new Turkish Commercial Code, started to be used by all joint stock companies listed on İMKB. In addition to these, information on the IFC-İstanbul project was provided in all the international activities of İMKB.

Furthermore, efforts on the below issues continued in 2012;

- Takasbank to become a Central Counter Party (CPP),
- Improving the payment and settlement systems to international standards,
- Providing data flow in a shorter period in the case of over-the-counter trades (immediate data),
- Evaluating the inclusion of Government Debt Securities within the scope of the Investor Protection Fund,
- Establishing an equity repo market in İMKB.

Borsa İstanbul

Turkey's financial supermarket!

Borsa İstanbul, aiming to become a financial supermarket with its product and service diversity, brings together Turkey's futures and options markets under a single roof.

Therefore, Borsa İstanbul becomes a bridge to investment with the Futures & Options Market, Precious Metals and Gems Market, and the new markets that will be trading energy and commodity derivatives contracts.



**BORSA
İSTANBUL**

Benchmark for Investment

borsaistanbul.com

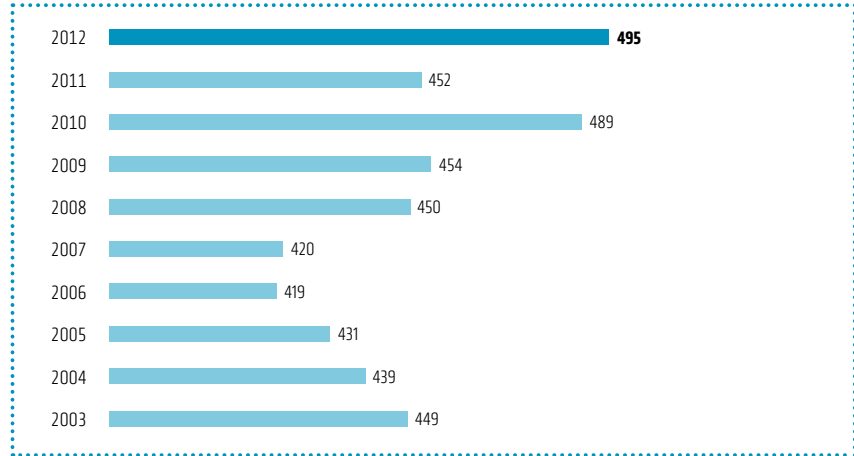
HUMAN RESOURCES

Job announcements were made for 12 different positions/ titles in printed media and human resources portals. 2,900 people applied for these positions through the electronic application form on the corporate web site.

The most important factor in İMKB's improvement has been its staff. Human resources policies and processes are designed on the employment of highly qualified staff and improving such staff on a continuous basis.

In 2012, with an increase of 43, the number of İMKB staff reached 495 as of the end of the year.

Number of Employees (Last Decade)

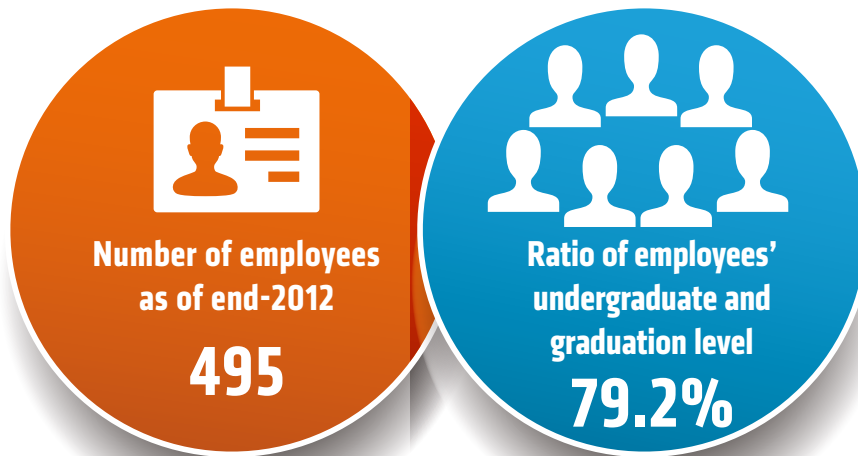


In order to enhance the efficiency of the organization and simplify the payment system, the revisions on the internal regulations regarding İMKB staff and organization became effective on July 1, 2012.

Job announcements were made for 12 different positions/titles in printed media and human resources portals. 2,900 people applied for these positions through the electronic application form on the corporate web site.

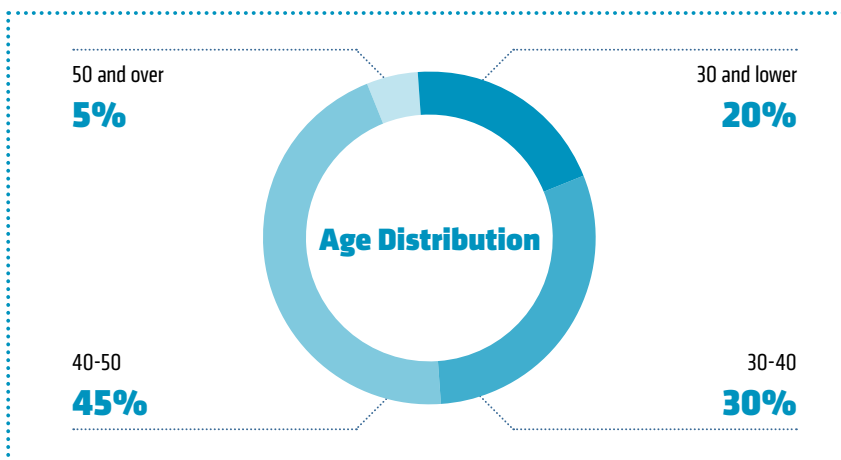
As of December 31, 2012, 62 percent of the staff belongs to the group of specialists, 33 percent to back office, and 5 percent to services. 28 percent of İMKB employees are female, and 72 percent, male. The average age is 38.5 (compared to 41 in 2011), and the average period of employment by İMKB is 10.6 years (compared to 13.8 years in 2011).



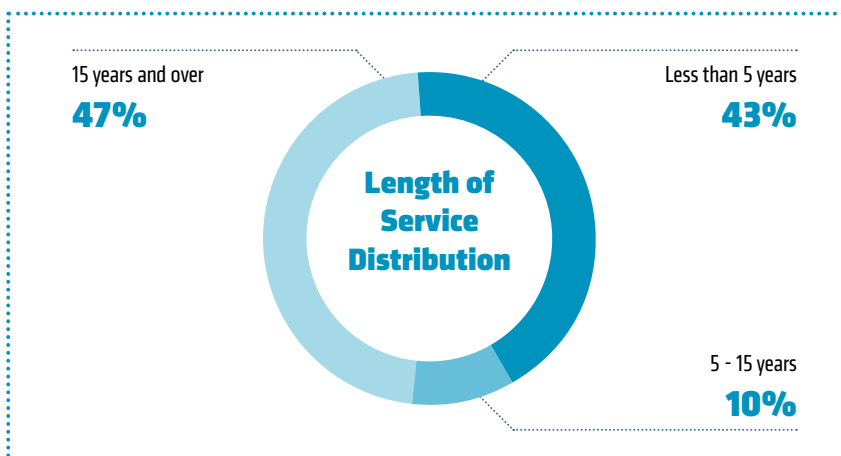


As of December 31, 2012, 79.2 percent of the staff hold graduate and post graduate degrees (compared to 74.1 percent in 2011). The breakdown of the staff on the basis of education level is as follows: 5.5 percent doctorate, 33.4 percent post graduate, and 40.3 percent graduate.

Breakdown of İMKB Staff on Age Basis



Breakdown of İMKB Staff on the Basis of Seniority



TRAINING, PUBLICATIONS AND RESEARCH ACTIVITIES

The three-day training program entitled “Capital Markets and İMKB”, designed for the staff of İMKB-traded companies, and which has been realized since 1997, was held in June and December this year, and attracted 178 participants.

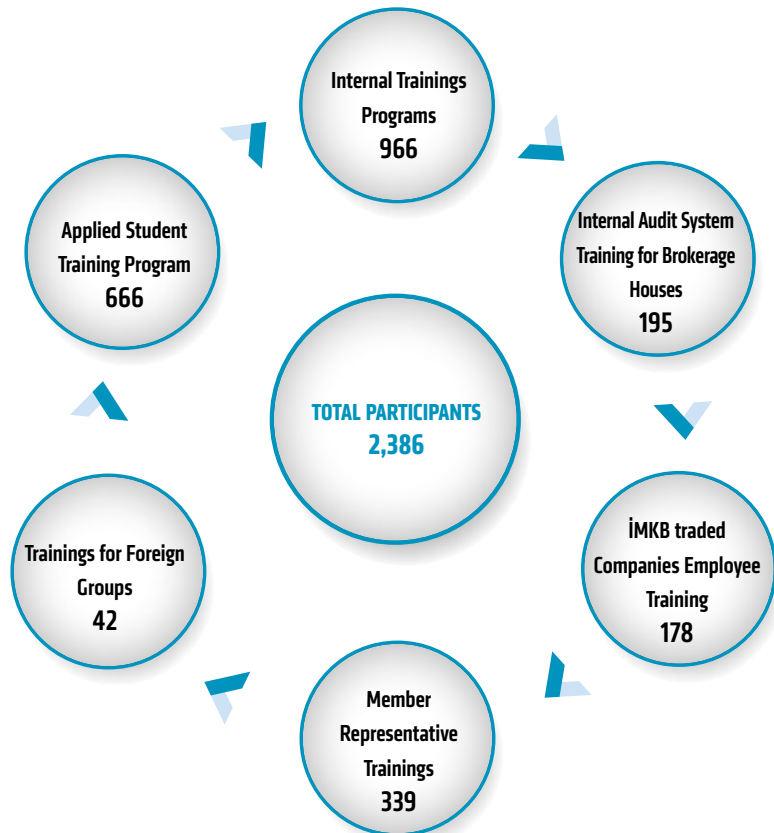
Training

Broker Training Programs

During the year, 15 broker training programs covering İMKB markets were realized; including two theoretical and four automated trading system hands-on training programs for the Bonds and Bills Market, one market making training program for the Equity Market, and eight automated trading system hands-on training programs for the Futures & Options Market. A total of 339 persons participated in these programs.

Training Programs for İMKB-Traded Companies Staff

The three-day training program entitled “Capital Markets and İMKB”, designed with a view to informing and contributing to the efficiency of the communication with the staff of İMKB-traded companies, has been realized for 27 times with the participation of 2,708 staff since 1997. The program was held in June and December this year, attracting 178 participants.



93

Number of training programs participated by İMKB staff

516

Number of employees that participated in internal training programs

388

Number of employees that participated in computer and language training programs

Training Program for Students

İMKB organizes 2-week training programs for university students, aimed at providing a vision for young people before starting their careers, and informing them on the operation of the Turkish capital markets and İMKB markets. Previously called "internship program", this activity continues under the name "training program" and is held in two-week periods throughout the year. During the program, university students participate in lectures, and deliver a presentation at the end of the term. In addition to the trainings, they work in departments and therefore, have a chance to understand the work life. During the 1994 – 2012 period, a total of 7,589 students (including 666 participants in 2012) participated in the program.

Trainings for Foreign Groups

A three-day training was organized for a group of employees of Tanzania Stock Exchange, Tanzanian capital markets regulatory authority and public institutions, and a one-day training was organized for Bulgaria American University students during the year, with a total of 42 participants.

Training Support for Other Organizations

İMKB continued to share its know-how on the capital markets and stock exchange operations through its experienced and specialized staff, providing trainers

and supporting various programs of the Capital Markets Board of Turkey, Treasury Undersecretariat, İstanbul Chamber of Commerce, Takasbank A.Ş., Kadir Has University, Bahçeşehir University, Boğaziçi University, 9 Eylül University, Muğla University, Bozok University, Giresun University and Doğa Kolejleri.

University Seminars

Seminars were organized jointly by CMB-İMKB and the Association of Capital Market Intermediary Institutions of Turkey in 21 universities with the participation of nearly 5,000 students and three-day certificate training programs at seven universities located in seven regions of Turkey.

Internal Training Programs

İMKB staff participated in 93 different training programs in 2012. The breakdown is as follows: 516 employees participated in internal training programs, 388 employees participated in computer and programming training programs, and 62 employees, in general training programs.

Internal Audit System Training for Brokerage Houses

Training was provided for brokerage houses' staff working in inspection, control and risk management departments for the purpose of improving brokerage houses' internal audit systems, strengthening their harmonization with the current legislation, and informing them on surveillance activities.

Publications

The following promotional material on İMKB for use in various activities were updated and published in 2012.

- The Stock Exchange and Capital Markets with Answers (Turkish)
- Exchange Traded Funds (Turkish-English)
- Warrants (Turkish-English)
- Public Disclosure Platform (Turkish-English)
- Initial Public Offering and Being Traded on the Exchange (Turkish)
- İMKB for Investors (Turkish-English)
- Emerging Companies Market (Turkish-English)
- Equity Trading Guide (Turkish)
- Single Stock Futures and Options (Turkish)
- Fixed Income Securities (Turkish)
- İMKB At a Glance

İMKB publications sales continued through the Corporate Communications Department. İMKB publications were promoted and sold at TÜYAP 31st İstanbul Book Fair & Exhibition.

TRAINING, PUBLICATIONS AND RESEARCH ACTIVITIES

Events such as congresses, etc. were organized in cooperation with numerous international institutions and Turkish universities. Similar events will continue in 2013.

Spring and Summer issues of the quarterly magazine entitled "İMKB/İstanbul Stock Exchange Magazine", aimed at contributing to İMKB's mission, vision, corporate image, visibility and trademark value on the national and international level in the process of converting İstanbul to a regional and international financial center, was published in 2012. "İMKB/İstanbul Stock Exchange Magazine" is printed in Turkish and English, and complimentary copies are sent to the relevant institutions in Turkey and abroad.

The new issues of İMKB's academic refereed journal "ISE Review", a quarterly publication in Turkish and English were published. The ISE Review is included in the World Banking Abstracts Index published by the Institute of the European finance (IEF) in the Econlit Index published by the American Economic Association (AEA), and in the TÜBİTAK-ULAKBİM Social Science Database.

İMKB also sponsored the book and music album entitled "Rumeli: A Musical Journey" printed in Turkish and English on the occasion of the centennial anniversary of the Balkan Wars.

İMKB Library

As part of electronic library services, İMKB's subscriptions to "Business Source Complete" (EBSCO), Ebrary-Academic Complete, WB-eLibrary electronic books, and Global Development Finance (GDF), World Development Indicators (WDI) and International Financial Statistics, as well as Project MUSE databases were renewed.

In addition to those cited above, İMKB initiated subscription to HBS Working Papers Collection and National Bureau of Economic Research databases.

Research Activities

Academic research studies on a variety of subjects including economics, finance, capital markets and financial institutions continued in 2012. Numerous reports and papers on the current developments in the stock exchange sector and İMKB's strategic priorities were prepared and articles were published in refereed journals included in the Social Sciences Citation Index (SSCI).

Based on the database of İMKB-traded companies, financial statement analyses continued to be prepared on a quarterly basis in 2012. "Weekly Market Report", evaluating the developments in the national and international markets continued to be published, while the global developments in the stock exchange sector continued to be monitored in 2012. Also, various professional research reports, and presentations for domestic and international meetings were prepared.

Web pages were prepared for sharing the research activities with the public and the national/international academic circles and started to be published in İMKB's web site in English under the title "Research".

Events such as congresses, etc. were organized in cooperation with numerous international institutions and Turkish universities. World-known academicians gave conferences at İMKB in 2012. Similar events will continue in 2013.



Borsa İstanbul. Benchmark for Investment!

“

We have a young population, we are strong, and we aim high...
And now, young Turkey has a renewed exchange.

Bülent Eczacıbaşı, Eczacıbaşı Holding Chairman

”



Turkey has one of the youngest populations in the world... Adding the well-educated human resources to this potential, she is making determined steps towards becoming the geographical and cultural center of its region. İstanbul Menkul Kıymetler Borsası, Turkish Derivatives Exchange and İstanbul Gold Exchange merge under the roof of Borsa İstanbul. Borsa İstanbul converts into a global financial center. İstanbul becomes the international financial center, which it deserves.

borsaistanbul.com



**BORSA
İSTANBUL**

LEGAL AFFAIRS

In the case of disputes, the Legal Affairs Department, as the secretariat of the Arbitration Committee, prepares an opinion for the Committee, which forms the basis of İMKB Board's resolutions regarding disputes.

Disputes arising from securities trading between investors and İMKB members were settled by İMKB upon applications filed with İMKB.

In the case of disputes, the Legal Advisory Department, as the secretariat of the Arbitration Committee, prepares an opinion for the Committee, which forms the basis of İMKB Board's resolutions regarding disputes. The illegal actions and behavior of İMKB member intermediary institutions and their representatives were examined by the Disciplinary Committee, whose decisions were implemented after being approved by İMKB Board. The secretariat of the Disciplinary Committee is carried out by the Legal Counsel and Legal Advisory Department.

The Department gave legal opinions for various agreements, protocols, and contracts to which İMKB is a party. In addition to that, the Department officials took part in the tender commissions for purchase of goods and services. Legal opinion was provided for the cases referred to the Legal Counsel by İMKB Chairman's Office and other departments. The Department also responded to the requests and applications by legal and administrative offices.

Protection of İMKB Trademarks

During the conversion process of İMKB to Borsa İstanbul, the new trademarks and indices were registered as trademarks with the Turkish Patent Institute in Turkey for the protection of the intellectual property rights, and the initial steps were made for their international registration with the World Intellectual Property Organization (WIPO) effective in WIPO member countries and the European Union. Within this framework, applications were made for the registration of 58 new trademarks with the Turkish Patent Institute.

"GT-30" Index, the common international index of İMKB and the Athens Exchange was registered with the Turkish Patent Institute and application for its international registration was made through WIPO.

İMKB takes legal action within the framework of intellectual property rights and trademark legislation against the web based publications of companies whose name, logo, and indices are similar to and which may be confused with those of İMKB. Through the prosecutions and pleas with the Turkish Patent Institute, İMKB trademarks are also protected against trademark registration applications which have a potential of confusing with İMKB names and logo.

Institutions intending to use İMKB financial products are required to sign "İMKB Index License Agreement" and "İMKB Index Provider License Agreement".



“GT-30” Index, the common international index of İMKB and the Athens Exchange was registered with the Turkish Patent Institute and application for its international registration was made through WIPO.

İMKB General Assembly Meeting and Attending the General Assembly Meetings of İMKB's Participations

İMKB Legal Counsel and Legal Advisory Department were involved in the preparations for İMKB General Assembly meetings, submitting the meeting minutes to the CMB following the meeting, and preparing the legislation amendments for publication in the Official Gazette.

İMKB was represented in the general assembly meetings of İMKB Takas ve Saklama Bankası A.Ş. (Takasbank), Turkish Derivatives Exchange (TURKDEX), Central Registration Agency (CRA), and Capital Markets Licensing Registration and Training Company, and the latest changes in the structures of subsidiaries were registered with İMKB records.

The Department worked on the legislation concerning the conversion of İMKB to Borsa İstanbul and such work is in progress.

Furthermore, in line with İMKB's globalization efforts, the Legal Counsel and Legal Advisory Department prepared memoranda of understanding, confidentiality agreements and other documents in various foreign languages, signed with foreign securities exchanges and trading platforms.

STRATEGIC PLANNING EFFORTS

Five search meetings were organized in order to create a common intelligence in the process of preparing the strategic plan which will shape Borsa İstanbul's future, and in order to allow the in-house and external stakeholders to share their views.

Five search meetings were organized in order to create a common intelligence in the process of preparing the strategic plan which will shape Borsa İstanbul's future, and in order to allow the in-house and external stakeholders to share their views.

The meetings were held under the coordination of a consultancy firm, and the following four main topics were discussed:

- Management, organization and infrastructure
- Public offering and investors
- Regional and global efficiency
- Business development and innovative approaches

The meetings proved quite beneficial in that the strategic plan was prepared, and that the plan was adopted by all stakeholders and communication was reinforced, with 256 participants (48 participants from public institutions, 61 participants from the private sector, and 147 in-house participants).



Borsa İstanbul. Benchmark for Investment!

“Borsa İstanbul is not only Turkey’s but also the region’s strongest, most technologically advanced, most stable exchange with the highest potential.”

M. Rifat Hisarcıklıoğlu, President, The Union of Chambers and Commodity Exchanges of Turkey



A regional center of attraction, Turkey is one of the biggest economies of the world. And now, Turkey has an Exchange becoming with its potential. İstanbul Menkul Kıymetler Borsası, Turkish Derivatives Exchange and İstanbul Gold Exchange merge under the roof of Borsa İstanbul, building a bridge to investment.

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WORK IN PROGRESS IN İMKB CAMPUS

As part of the project for merging the fragmented nature of the seating of the Information Technology staff, the tender was completed and construction has started.

In accordance with the target to merge all exchanges under one roof within the İstanbul Financial Center Project, İMKB Information Systems Department started to work on a data center of international standards, and to serve;

- Infrastructure back-up of İMKB trading systems (twin centered structure)
- Co-Location (Intermediaries and data vendors)
- Common Data Center (Takasbank, CRA, TURKDEX, İstanbul Gold Exchange, Commodity, Energy)

An international consultancy and project management contract was signed with an international company, and design efforts will be completed soon.

Within the framework of the project for the modification of Block A as offices and data center, around 150 staff were moved from Block A to the new offices established in the Office Block within the building.

İMKB Information Technology staff is expanding in line with İMKB's target to become a technology center. As part of the project for merging the fragmented nature of the seating of the Information Technology staff, the tender was completed and construction has started.



PARTICIPATIONS

İMKB participated in the capitals of the Kyrgyz and Baku Stock Exchanges in 2000 in order to contribute to the development of the capital markets of the Central Asian countries. İMKB became a shareholder of Sarajevo Stock Exchange in 2011.

İMKB has participations in four domestic and three foreign institutions. İMKB has a share of 36.65 percent in İMKB Takas ve Saklama Bankası A.Ş.'s (Takasbank) capital of TL 60 million; a share of 30 percent in the Central Registry Agency, Inc.'s capital of TL 6 million; a share of 18 percent in the İzmir-based Turkish Derivatives Exchange Inc.'s (TURKDEX) capital of TL 9 million and a share of 10 percent in the Capital Markets Licensing Registration and Training Company's capital of TL 2 million.

İMKB participated in the capitals of the Kyrgyz and Baku Stock Exchanges in 2000 in order to contribute to the development of the capital markets of the Central Asian countries. İMKB became a shareholder of Sarajevo Stock Exchange in 2011. As of end-2012, İMKB has a share of 24.51 percent, 5.26 percent, and 5 percent in the capitals of Kyrgyz, Baku, and Sarajevo Stock Exchanges, respectively.



**CORPORATE
SOCIAL
RESPONSIBILITY
AND SUSTAINABILITY**

415

Number of education facilities built by İMKB

7,589

Number of students that received training and internships during 1994-2012

Participating in the “Sustainable Stock Exchanges Initiative - 2012 Global Dialogue” meeting held in Rio de Janeiro on June 18, 2012, İMKB was one of the five leading exchanges that undertook to encourage long-term and sustainable investments in its markets.

Support for the Sustainable Stock Exchanges Initiative

İMKB Chairman & CEO İbrahim M. Turhan Ph.D. participated in the “Sustainable Stock Exchanges Initiative - 2012 Global Dialogue” meeting held in Rio de Janeiro, co-organized by the UN Global Compact, UN Conference on Trade and Development (UNCTAD), UN Principles on Responsible Investment (UNPRI), and UN Environment Program (UNEP) Finance Initiative.

With a joint announcement by İMKB, NASDAQ OMX, BM&F BOVESPA, Johannesburg and Egyptian Exchanges, exchanges committed to supporting the incentives for long term and sustainable investments in their markets. Five leading exchanges from developed and emerging markets, trading over 4,600 companies, announced that they will work in cooperation with the investors, companies and regulators in order to support the traded companies regarding their sustainable investments in the long run, and their reporting and performances referring to advanced environmental, social and corporate governance issues.

İMKB Sustainability Index Project

Criteria for the companies to be included in the İMKB Sustainability Index within the İMKB Sustainability Index Project were finalized in 2012. CMB works on preparing the relevant legislative framework.

İMKB Schools

Within the framework of the “Substantial Support for National Education Project”, İMKB established the “Support for Education Fund” allocating an amount of TL 32 million from its own resources in 1997.

The project was initiated upon the signing of the first Protocol between İMKB, Ministry of National Education and governors of the relevant cities and 8 protocols have been signed so far. Funds totaling TL 1,411,514,204.75 (including returns on principal, but no extra funding) have been raised for the construction of 415 education facilities in 74 cities.





“The Exchange invests in the future of this country, and allows her to see the future more confidently.

This is where Turkey’s future rises.

FATMA ARSLAN

Teacher at Van Ahmet Yesevi
İMKB Primary School

Thanks to the funds provided by İMKB, construction of 386 buildings have been completed already, and since the beginning of the project, approximately 650,000 students have been educated in these facilities.

These facilities predominantly consist of day/boarding primary schools, high schools and vocational high schools, but nevertheless include buildings allocated to 52 different types of education facilities such as craftsmanship high schools, apprentice training centers, schools for training clergymen, gymnasiums, training centers open to the public, boarding primary schools for the hearing-impaired, industrial vocational high schools, training centers for autistic children, faculty, presidency, health care college, and social facility buildings for universities, and annex buildings.

The “Substantial Support for National Education Project” is not only the leading country- wide social responsibility project, but also has substantially added to İMKB’s visibility throughout the country. The facilities erected by the project initiated by İMKB have also supported the enhancement of the education quality, have contributed to awareness on education, and have been used for different purposes such as handcrafts training, arts and sports during off-semester (summer holiday, week-ends and after school hours), and have contributed significantly to people lacking education opportunities.

Utilization of Resources and Environmental Performance

Thanks to the introduction of a software comprising fonts enabling low toner usage, toners have been saved.

KVM switches, where applicable, have been used for multi monitor and computer users, which enabled the decrease in monitor usage, thereby saving energy. İMKB came to an agreement on signing a protocol with Sarıyer municipality for the periodical delivery of unused electronic devices, components etc. (batteries, cables, desktops/laptops, monitors, keyboards, DVD players, telephone devices etc.) which are to be disposed of properly.

WE ARE A FAMILY

Companies whose equities traded (December 31, 2012)

ACISELSAN ACIPAYAM SELÜLOZ
SANAYİ VE TİCARET A.Ş.

ADANA ÇİMENTO SANAYİİ T.A.Ş.

ADEL KALEMLİCİLİK TİCARET VE
SANAYİ A.Ş.ADESE ALIŞVERİŞ MERKEZLERİ
TİCARET A.Ş.ADVANSA SASA POLYESTER
SANAYİ A.Ş.AFM ULUSLARARASI FİLM
PRODUKSİYON TİCARET VE
SANAYİ A.Ş.

AFYON ÇİMENTO SANAYİ T.A.Ş.



AK-AL TEKSTİL SANAYİİ A.Ş.



AK B TİPİ YATIRIM ORTAKLIĞI A.Ş.



AKBANK T.A.Ş.

AKÇANSA ÇİMENTO SANAYİ VE
TİCARET A.Ş.

AKDENİZ GÜVENLİK HİZMETLERİ A.Ş.



AKENERJİ ELEKTRİK ÜRETİM A.Ş.

AKFEN GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.

AKFEN HOLDİNG A.Ş.



AKIN TEKSTİL A.Ş.

AKMERKEZ GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.



AKSA ENERJİ ÜRETİM A.Ş.



AKSİGORTA A.Ş.



AKSU ENERJİ VE TİCARET A.Ş.

ALARKO CARRIER SANAYİ VE
TİCARET A.Ş.ALARKO GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.

ALARKO HOLDİNG A.Ş.

ALBARAKA TÜRK KATILIM
BANKASI A.Ş.ALCATEL LUCENT TELETAŞ
TELEKOMÜNİKASYON A.Ş.

ALKİM ALKALİ KİMYA A.Ş.



ALKİM KAĞIT SANAYİ VE TİCARET A.Ş.



ALTERNATİF YATIRIM ORTAKLIĞI A.Ş.



ALTERNATİFBANK A.Ş.



ALTINYAĞ KOMBİNALARI A.Ş.

ALTINYILDIZ MENSUCAT VE
KONFEKSİYON FAB. A.Ş.ALTINYUNUS ÇEŞME TURİSTİK
TESİSLER A.Ş.ANADOLU ANONİM TÜRK SİGORTA
ŞİRKETİ

ANADOLU CAM SANAYİİ A.Ş.

ANADOLU EFES BİRAÇILIK VE MALT
SANAYİİ A.Ş.

ANADOLU HAYAT EMEKLİLİK A.Ş.

ANADOLU ISUZU OTOMOTİV SANAYİ
VE TİCARET A.Ş.ANEL ELEKTRİK PROJE TAAHHÜT VE
TİCARET A.Ş.ANEL TELEKOMÜNİKASYON
ELEKTRONİK SİSTEMLERİ SANAYİ VE
TİCARET A.Ş.

ANSA YATIRIM HOLDİNG A.Ş.



ARÇELİK A.Ş.



ARENA BİLGİSAYAR SANAYİ VE
TİCARET A.Ş.

arena
YÜKSEK HIZ. TEKNOLOJİ. ÇÖZÜMLERİ

ARMADA BİLGİSAYAR SİSTEMLERİ
SANAYİ VE TİCARET A.Ş.

ArmAdA

ARSAN TEKSTİL TİCARET VE
SANAYİ A.Ş.



AR TARIM ORGANİK GIDA A.Ş.



ARTI YATIRIM HOLDİNG A.Ş.



ASELSAN ELEKTRONİK SANAYİ VE
TİCARET A.Ş.

aselsan

ASİL ÇELİK SANAYİ VE TİCARET A.Ş.



ASLAN ÇİMENTO A.Ş.



ASYA KATILIM BANKASI A.Ş.



ATA GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.



ATAÇ İNŞAAT VE SANAYİ A.Ş.



ATAKULE GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.



ATLANTİK PETROL ÜRÜNLERİ
SANAYİ VE TİCARET A.Ş.



ATLANTİS YATIRIM ORTAKLIĞI A.Ş.



ATLAS MENKUL KIYMETLER YATIRIM
ORTAKLIĞI A.Ş.



AVİVA SİGORTA A.Ş.



A.V.O.D. KURUTULMUŞ GIDA VE TARIM
ÜRÜNLERİ SANAYİ TİCARET A.Ş.



AVRASYA GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.



AVRASYA PETROL VE TURİSTİK
TESİSLER YATIRIMLAR A.Ş.



AYEN ENERJİ A.Ş.



AYES AKDENİZ YAPI ELEMANLARI
SANAYİ VE TİCARET A.Ş.



AYGAZ A.Ş.



BAGFAŞ BANDIRMA GÜBRE
FABRİKALARI A.Ş.



BAK AMBALAJ SANAYİ VE TİCARET A.Ş.



BALATAÇILAR SANAYİ VE TİCARET A.Ş.



BANVİT BANDIRMA VİTAMİNLİ YEM
SANAYİ A.Ş.



BAŞAŞ BAŞKENT ÇİMENTO
SANAYİ VE TİCARET A.Ş.



BATIÇİM BATI ANADOLU ÇİMENTO
SANAYİ A.Ş.



BATISÖKE SÖKE ÇİMENTO
SANAYİ T.A.Ş.



BAYSAN TRAFİKO RADYATÖRLERİ
SANAYİ VE TİCARET A.Ş.



BERDAN TEKSTİL SANAYİ VE
TİCARET A.Ş.



BERKOSAN YALITIM VE TECRİT
MADDELERİ ÜRETİM VE TİCARET A.Ş.



BEŞİKTAŞ FUTBOL YATIRIMLARI
SANAYİ VE TİCARET A.Ş.



BEYAZ FİLO OTO KİRALAMA A.Ş.



BİLİCİ YATIRIM SANAYİ VE TİCARET A.Ş.



BİM BİRLEŞİK MAĞAZALAR A.Ş.



BİMEKS BİLİCİ İŞLEM VE DIŞ
TİCARET A.Ş.



BİRKO BİRLEŞİK KOYUNLULULAR
MENSUCAT TİCARET VE SANAYİ A.Ş.



BİRLİK MENSUCAT TİCARET VE SANAYİ
İŞLETMELERİ A.Ş.



BİSAŞ TEKSTİL SANAYİ VE TİCARET A.Ş.



BİZİM TOPTAN SATIŞ
MAĞAZALARI A.Ş.



BOLU ÇİMENTO SANAYİ A.Ş.



WE ARE A FAMILY

Companies whose equities traded (December 31, 2012)

BOROVA YAPI ENDÜSTRİSİ A.Ş.

BORUSAN MANNESMANN BORU
SANAYİ VE TİCARET A.Ş.BORUSAN YATIRIM VE
PAZARLAMA A.Ş.BOSCH FREN SİSTEMLERİ SANAYİ VE
TİCARET A.Ş.BOSSA TİCARET VE SANAYİ
İŞLETMELERİ T.A.Ş.

BOYNER BÜYÜK MAĞAZACILIK A.Ş.

BRİSA BRIDGESTONE SABANCI LASTİK
SAN. VE TİC.A.Ş.BSH EV ALETLERİ SANAYİ VE
TİCARET A.Ş.BURÇELİK BURSA ÇELİK DÖKÜM
SANAYİ A.Ş.BURÇELİK VANA SANAYİ VE
TİCARET A.Ş.

BURSA ÇİMENTO FABRİKASI A.Ş.

CARREFOURSA CARREFOUR SABANCI
TİCARET MERKEZİ A.Ş.

CEYLAN YATIRIM HOLDİNG A.Ş.



COCA-COLA İÇECEK A.Ş.

COMPONETA DÖKÜMCÜLÜK TİCARET
VE SANAYİ A.Ş.

COSMOS YATIRIM ORTAKLIĞI A.Ş.

CREDITWEST FAKTORİNG
HİZMETLERİ A.Ş.ÇBS BOYA KİMYA SANAYİ VE
TİCARETİ A.Ş.ÇBS PRİNTAŞ OTO BOYA VE GEREÇLERİ
SANAYİ A.Ş.

ÇELEBİ HAVA SERVİSİ A.Ş.



ÇELİK HALAT VE TEL SANAYİ A.Ş.



ÇEMAŞ DÖKÜM SANAYİ A.Ş.

ÇEMTAŞ ÇELİK MAKİNA SANAYİ VE
TİCARET A.Ş.ÇİMBETON HAZIRBETON VE
PREFABRİK YAPI ELEMANLARI SAN.
VE TİC. A.Ş.ÇİMENTAŞ İZMİR ÇİMENTO
FABRİKASI T.A.Ş.ÇİMSA ÇİMENTO SANAYİ VE
TİCARET A.Ş.

DAĞI GİYİM SANAYİ VE TİCARET A.Ş.



DAĞI YATIRIM HOLDİNG A.Ş.

DARDANEL ÖNENTAŞ GIDA
SANAYİ A.Ş.DATAGATE BİLGİSAYAR MALZEMELERİ
TİCARET A.Ş.DEMİSAŞ DÖKÜM EMAYE MAMÜLLERİ
SANAYİ A.Ş.

DENGE YATIRIM HOLDİNG A.Ş.



DENİZ YATIRIM ORTAKLIĞI A.Ş.



DENİZBANK A.Ş.



DENİZLİ CAM SANAYİ VE TİCARET A.Ş.

DENTAŞ AMBALAJ VE KAĞIT
SANAYİ A.Ş.DERİMOD KONFEKSİYON AYAKKABI
DERİ SAN. VE TİC.A.Ş.

DESA DERİ SANAYİ VE TİCARET A.Ş.

DESPEC BİLGİSAYAR PAZARLAMA VE
TİCARET A.Ş.

DEVA HOLDİNG A.Ş.

DİRİLİŞ TEKSTİL SANAYİ VE
TİCARET A.Ş.DİTAŞ DOĞAN YEDEK PARÇA İMALAT
VE TEKNİK A.Ş.

DOĞAN BURDA DERGİ YAYINCILIK VE
PAZARLAMA A.Ş.

DOĞAN GAZETECİLİK A.Ş.

Doğan Gazetecilik A.Ş.



DOĞAN YAYIN HOLDİNG A.Ş.

DYH
DOĞAN YAYIN HOLDİNGDOĞUŞAN BORU SANAYİ VE
TİCARET A.Ş.DOĞUŞ GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.DOĞUŞ OTOMOTİV SERVİS VE
TİCARET A.Ş.DURAN-DOĞAN BASIM VE AMBALAJ
SANAYİ A.Ş.DYO BOYA FABRİKALARI SANAYİ VE
TİCARET A.Ş.ECZACIBAŞI YAPI GEREÇLERİ SANAYİ
VE TİCARET A.Ş.ECZACIBAŞI YATIRIM HOLDİNG
ORTAKLIĞI A.Ş.

ECZACIBAŞI YATIRIM ORTAKLIĞI A.Ş.

EDİP GAYRİMENKUL YATIRIM SANAYİ
VE TİCARET A.Ş.

EGE ENDÜSTRİ VE TİCARET A.Ş.

Ege Endüstri
Ege Endüstri ve Ticaret A.Ş.

EGE GÜBRE SANAYİ A.Ş.



EGE PROFİL TİCARET VE SANAYİ A.Ş.

EGE PROFİL
TİCARET VE SANAYİ A.Ş.

EGE SERAMİK SANAYİ VE TİCARET A.Ş.

EGELİ & CO. TARIM GİRİŞİM
SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.

EGELİ & CO YATIRIM HOLDİNG A.Ş.

EGEPLAST EGE PLASTİK TİCARET VE
SANAYİ A.Ş.EGS GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.EİS ECZACIBAŞI İLAÇ, SİNAYİ VE
FİNANSAL YATIRIMLAR SANAYİ VE
TİCARET A.Ş.

EKİZ YAĞ VE SABUN SANAYİ A.Ş.



EMEK ELEKTRİK ENDÜSTRİSİ A.Ş.

EMİNİŞ AMBALAJ SANAYİ VE
TİCARET A.Ş.EMLAK KONUT GAYRİMENKUL
YATIRIM ORTAKLIĞI A.Ş.

ENKA İNŞAAT VE SANAYİ A.Ş.

ERBOSAN ERÇİYAS BORU SANAYİ VE
TİCARET A.Ş.EREĞLİ DEMİR VE ÇELİK
FABRİKALARI T.A.Ş.ERICOM TELEKOMÜNİKASYON VE
ENERJİ TEKNOLOJİLERİ A.Ş.

ERSU MEYVE VE GIDA SANAYİ A.Ş.



ESCORT TEKNOLOJİ YATIRIM A.Ş.

ESEM SPOR GİYİM SANAYİ VE
TİCARET A.Ş.EURO B TİPİ MENKUL KIYMETLER
YATIRIM ORTAKLIĞI A.Ş.EURO KAPİTAL YATIRIM
ORTAKLIĞI A.Ş.

EURO TREND YATIRIM ORTAKLIĞI A.Ş.

EURO YATIRIM MENKUL
DEĞERLER A.Ş.ETİLER İNÇİ BÜFE GIDA SANAYİ VE
DİŞ TİCARET A.Ş.

FAVORİ DİNLENME YERLERİ A.Ş.

FEDERAL-MOĞUL İZMİT PİSTON VE
PİM ÜRETİM TESİSLERİ A.Ş.

FENERBAHÇE FUTBOL A.Ş.

FENİŞ ALÜMİNYUM SANAYİ VE
TİCARET A.Ş.

FENİŞ ALÜMİNYUM

WE ARE A FAMILY

Companies whose equities traded (December 31, 2012)

FFK FON FİNANSAL KİRALAMA A.Ş.



FİNANS FİNANSAL KİRALAMA A.Ş.

*FİNANSLEASING

FİNANS YATIRIM ORTAKLIĞI A.Ş.

*FİNANSYATIRIMORTAKLIĞI

FİNANSBANK A.Ş.

*FİNANSBANK

FLAP KONGRE TOPLANTI HİZMETLERİ
OTOMOTİV VE TURİZM A.Ş.

FORD OTOMOTİV SANAYİ A.Ş.

FORD OTOSAN

FRİGO - PAK GIDA MADDELERİ SAN.
VE TİC. A.Ş.GALATASARAY SPOR TİF SİNAYİ VE
TİCARİ YATIRIMLAR A.Ş.

GARANTİ FAKTORİNG HİZMETLERİ A.Ş.



GARANTİ YATIRIM ORTAKLIĞI A.Ş.

GEDİK GİRİŞİM SERMAYESİ
YATIRIM ORTAKLIĞI A.Ş.GEDİK YATIRIM MENKUL
DEĞERLER A.Ş.

GEDİK YATIRIM ORTAKLIĞI A.Ş.

GENTAŞ GENEL METAL SANAYİ VE
TİCARET A.Ş.GERSAN ELEKTRİK TİCARET VE
SANAYİ A.Ş.ÇİMSAN GEDİZ İPLİK VE MENSUCAT
SANAYİ A.Ş.

GLOBAL MENKUL DEĞERLER A.Ş.



GLOBAL YATIRIM HOLDİNG A.Ş.

GOLDAŞ KUYUMCULUK SANAYİ
İTHALAT İHRACAT A.Ş.

GOODYEAR LASTİKLERİ T.A.Ş.

GÖLTAŞ GÖLLER BÖLGESİ ÇİMENTO
SAN VE TİC. A.Ş.GÖZDE GİRİŞİM SERMAYESİ YATIRIM
ORTAKLIĞI A.Ş.GSD DENİZCİLİK GAYRİMENKUL
İNŞAAT SANAYİ VE TİCARET A.Ş.

GSD HOLDİNG A.Ş.



GÜBRE FABRİKALARI T.A.Ş.



GÜLER YATIRIM HOLDİNG A.Ş.



GÜNEŞ SİGORTA A.Ş.



HALK SİGORTA A.Ş.

HATEKS HATAY TEKSTİL
İŞLETMELERİ A.Ş.

HAZNEKAR REFRAKTER SANAYİ A.Ş.



HEKTAŞ TİCARET T.A.Ş.



HİTİT HOLDİNG A.Ş.



H.Ö. SABANCI HOLDİNG A.Ş.

HÜRRIYET GAZETECİLİK VE
MATBAACILIK A.Ş.

IŞIKLAR ENERJİ VE YAPI HOLDİNG A.Ş.



IŞIKLAR YATIRIM HOLDİNG A.Ş.



İDAŞ İSTANBUL DÖŞEME SANAYİ A.Ş.

İDEALİST GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.İHLAS EV ALETLERİ İMALAT SANAYİ VE
TİCARET A.Ş.

İHLAS GAZETECİLİK A.Ş.



İHLAS HOLDİNG A.Ş.



İHLAS MADENCİLİK A.Ş.



İHLAS YAYIN HOLDİNG A.Ş.

İNDEKS BİLGİSAYAR SİSTEMLERİ
MÜHENDİSLİK SANAYİ VE TİCARET A.Ş.

İNFÖ YATIRIM A.Ş.

İNTEMA İNŞAAT VE TESİSAT
MALZ.YATVE PAZ.A.Ş.

İNTEMA®

İPEK DOĞAL ENERJİ KAYNAKLARI
ARAŞTIRMA VE ÜRETİM A.Ş.

İŞBİR HOLDİNG A.Ş.

İsbir Holding

İŞ FİNANSAL KİRALAMA A.Ş.

İŞ GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.İŞ GİRİŞİM SERMAYESİ YATIRIM
ORTAKLIĞI A.Ş.

İŞ YATIRIM MENKUL DEĞERLER A.Ş.



İŞ YATIRIM ORTAKLIĞI A.Ş.



İTTİFAK HOLDİNG A.Ş.



İZMİR DEMİR ÇELİK SANAYİ A.Ş.



İZOCAM TİCARET VE SANAYİ A.Ş.



JANTSA JANT SANAYİ VE TİCARET A.Ş.



KAPİTAL YATIRIM HOLDİNG A.Ş.

KAPLAMIN AMBALAJ SANAYİ VE
TİCARET A.Ş.KARAKAŞ ATLANTİS KIYMETLİ
MADENLER KUYUMCULUK
TELEKOMÜNİKASYON SANAYİ VE
TİCARET A.Ş.KARDEMİR KARABÜK DEMİR ÇELİK
SANAYİ VE TİCARET A.Ş.KAREL ELEKTRONİK SANAYİ VE
TİCARET A.Ş.KARKİM SONDAJ AKIŞKANLARI ENERJİ
MÜHENDİSLİK HİZMETLERİ SANAYİ VE
TİCARET A.Ş.KARSAN OTOMOTİV SANAYİ VE
TİCARET A.Ş.KARSU TEKSTİL SANAYİ VE
TİCARET A.Ş.KARSUSAN KARADENİZ SU ÜRÜNLERİ
SANAYİ A.Ş.KARTONSAN KARTON SANAYİ VE
TİCARET A.Ş.KATMERCİLER ARAÇ ÜSTÜ EKİPMAN
SANAYİ VE TİCARET A.Ş.KELEBEK MOBİLYA SANAYİ VE
TİCARET A.Ş.KENT GIDA MADDELERİ SANAYİ VE
TİCARET A.Ş.KEREVİTAŞ GIDA SANAYİ VE
TİCARET A.Ş.KİLER ALIŞVERİŞ HİZMETLERİ GIDA
SANAYİ VE TİCARET A.Ş.KİLER GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.KLİMASAN KLİMA SANAYİ VE
TİCARET A.Ş.

KOÇ HOLDİNG A.Ş.



KOMBASSAN HOLDİNG A.Ş.

KONFRUT GIDA SANAYİ VE
TİCARET A.Ş.

KONYA ÇİMENTO SANAYİ A.Ş.

KORDSA GLOBAL ENDÜSTRİYEL İPLİK
VE KORD BEZİ SANAYİ VE TİCARET A.Ş.

KOZA ALTIN İŞLETMELERİ A.Ş.

KOZA ANADOLU METAL MADENCİLİK
İŞLETMELERİ A.Ş.KRİSTAL KOLA VE MEŞRUBAT SANAYİ
TİCARET A.Ş.KRON TELEKOMÜNİKASYON
HİZMETLERİ A.Ş.KUŞTUR KUŞADASI TURİZM
ENDÜSTRİSİ A.Ş.

WE ARE A FAMILY

Companies whose equities traded (December 31, 2012)

KUYUMCUKENT GAYRİMENKUL
YATIRIMLARI A.Ş.

KÜTAHYA PORSELEN SANAYİ A.Ş.



LATEK HOLDİNG A.Ş.



LATEK LOJİSTİK TİCARET A.Ş.

LINK BİLGİSAYAR SİSTEMLERİ YAZILIMI
VE DONANIMI SANAYİ VE TİCARET A.Ş.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

LOKMAN HEKİM ENGÜRÜSAĞ SAĞLIK
TURİZM EĞİTİM HİZMETLERİ VE
İNŞAAT TAHHÜT A.Ş.

LÜKS KADİFE TİCARET VE SANAYİ A.Ş.



MAKİNA TAKİM ENDÜSTRİSİ A.Ş.



MANGO GIDA SANAYİ VE TİCARET A.Ş.

MARDİN ÇİMENTO SANAYİ VE
TİCARET A.Ş.MARMARİS ALTINYUNUS TURİSTİK
TESİSLER A.Ş.MARSHALL BOYA VE VERNİK
SANAYİ A.Ş.MARTI GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.

MARTI OTEL İŞLETMELERİ A.Ş.

MATAŞ MATBAACILIK AMBALAJ
SANAYİ VE TİCARET A.Ş.

MAZHAR ZORLU HOLDİNG A.Ş.



MCT DANIŞMANLIK A.Ş.

MEGA POLİETİLEN KÖPUK SANAYİ VE
TİCARET A.Ş.MENDERES TEKSTİL SANAYİ VE
TİCARET A.Ş.MENSA SİNAYİ TİCARİ VE MALİ
YATIRIMLAR A.Ş.MEPET METRO PETROL VE TESİSLERİ
SANAYİ TİCARET A.Ş.MERİT TURİZM YATIRIM VE
İŞLETME A.Ş.

MERKO GIDA SANAYİ VE TİCARET A.Ş.

MERT GIDA GİYİM SANAYİ VE
TİCARET A.Ş.METEMTUR OTELÇİLİK VE TURİZM
İŞLETMELERİ A.Ş.METRO ALTIN İŞLETMECİLİĞİ İNŞAAT
SANAYİ VE TİCARET A.Ş.METRO TİCARİ VE MALİ YATIRIMLAR
HOLDİNG A.Ş.

MİGROS TİCARET A.Ş.

MİLPA TİCARİ VE SİNAYİ ÜRÜNLER PAZ.
SAN. VE TİC. A.Ş.MMC SANAYİ VE TİCARİ
YATIRIMLAR A.Ş.MONDİ TİRE KUTSAN KAĞIT VE
AMBALAJ SANAYİ A.Ş.MUSTAFA YILMAZ YATIRIM
ORTAKLIĞI A.Ş.MUTLU AKÜ VE MALZEMELERİ
SANAYİ A.Ş.

NET HOLDİNG A.Ş.



NET TURİZM TİCARET VE SANAYİ A.Ş.



NETAŞ TELEKOMÜNİKASYON A.Ş.



NİĞDE BETON SANAYİ VE TİCARET A.Ş.



NUH ÇİMENTO SANAYİ A.Ş.

NURUL GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.OLMUKSA INTERNATIONAL PAPER
SABANCI AMBALAJ SAN. VE TİC. A.Ş.

OMV PETROL OFİSİ A.Ş.



ORGE ENERJİ ELEKTRİK TAAHHÜT A.Ş.



ORMA ORMAN MAHSULLERİ İNTEGRE SANAYİ VE TİCARET A.Ş.



OSMANLI MENKUL DEĞERLER A.Ş.



OSTİM ENDÜSTRİYEL YATIRIMLAR VE İŞLETME A.Ş.



OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.



OYAK YATIRIM ORTAKLIĞI A.Ş.



OYLUM SİNÂİ YATIRIMLAR A.Ş.



ÖZAK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



ÖZBAL ÇELİK BORU SANAYİ TİCARET VE TAAHHÜT A.Ş.



ÖZDERİCİ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.



PARSAN MAKİNA PARÇALARI SANAYİ A.Ş.



PENGUEN GIDA SANAYİ A.Ş.



PERA GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



PETKİM PETROKİMYA HOLDİNG A.Ş.



PETROKENT TURİZM A.Ş.



PINAR ENTEGRE ET VE UN SANAYİ A.Ş.



PINAR SU SANAYİ VE TİCARET A.Ş.



PINAR SÜT MAMULLERİ SANAYİ A.Ş.



PİMAŞ PLASTİK İNŞAAT MALZEMELERİ A.Ş.



PLASTİKKART AKILLI KART İLETİŞİM SİSTEMLERİ SANAYİ VE TİCARET A.Ş.



POLİSAN HOLDİNG A.Ş.



PRİZMA PRES MATBAACILIK YAYINCILIK SANAYİ VE TİCARET A.Ş.



RAN LOJİSTİK HİZMETLERİ A.Ş.



RAY SİGORTA A.Ş.



REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.



RHEA GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.



SAF GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



SANİFOAM SÜNGER SANAYİ VE TİCARET A.Ş.



SANKO PAZARLAMA İTHALAT İHRACAT A.Ş.



SARAY MATBAACILIK KAĞITÇILIK KIRTASIYECİLİK TİCARET VE SANAYİ A.Ş.



SARKUYSAN ELEKTROLİTİK BAKIR SAN. VE TİCARET A.Ş.



SELÇUK ECZA DEPOSU TİCARET VE SANAYİ A.Ş.



RHEA GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.



SELÇUK GIDA ENDÜSTRİ İHRACAT İTHALAT A.Ş.



SERVE KIRTASIYE SANAYİ VE TİCARET A.Ş.



SILVERLINE ENDÜSTRİ VE TİCARET A.Ş.



SİNPAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



SODA SANAYİ A.Ş.



SODAŞ SODYUM SANAYİ A.Ş.



SÖKTAŞ TEKSTİL SANAYİ VE TİCARET A.Ş.



WE ARE A FAMILY

Companies whose equities traded (December 31, 2012)

SÖNMEZ FİLAMENT SENTETİK İPLİK
VE ELYAF SANAYİ A.Ş.

SÖNMEZ PAMUKLU SANAYİ A.Ş.



ŞEKERBANK T.A.Ş.



ŞEKER FİNANSAL KİRALAMA A.Ş.

ŞEKER PİLİÇ VE YEM SANAYİ VE
TİCARET A.Ş.

TACİRLER YATIRIM ORTAKLIĞI A.Ş.

TARAF GAZETECİLİK SANAYİ VE
TİCARET A.Ş.

TAT KONSERVE SANAYİ A.Ş.



TAV HAVALİMANLARI HOLDİNG A.Ş.

TAZE KURU GIDA SANAYİ VE
TİCARET A.Ş.TEK-ART İNŞAAT TİCARET TURİZM
SANAYİ VE YATIRIMLAR A.Ş.

TEKFEN HOLDİNG A.Ş.



TEKNOSA İÇ VE DIŞ TİCARET A.Ş.



TEKSTİL BANKASI A.Ş.

TESCO KİPA KİTLE PAZARLAMA
TİCARET GIDA SANAYİ A.Ş.

TGS DIŞ TİCARET A.Ş.



DO & CO AKTIENGESSELLSCHAFT

TOFAŞ TÜRK OTOMOBİL
FABRİKASI A.Ş.TORUNLAR GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.TRABZONSPOR SPOR TİF YATIRIM VE
TİCARET A.Ş.

TRAKYA CAM SANAYİ A.Ş.



TRANSTÜRK HOLDİNG A.Ş.

TSKB GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.

TSKB YATIRIM ORTAKLIĞI A.Ş.



TUKAŞ GIDA SANAYİ VE TİCARET A.Ş.



TURCAS PETROL A.Ş.



TÜRKCELL İLETİŞİM HİZMETLERİ A.Ş.

TÜMOSAN MOTOR VE TRAKTÖR
SANAYİ A.Ş.TÜPRAŞ-TÜRKİYE PETROL
RAFİNERİLERİ A.Ş.TÜRK DEMİR DÖKÜM FABRİKALARI
A.Ş.

TÜRK EKONOMİ BANKASI A.Ş.



TÜRK HAVA YOLLARI A.O.



TÜRKİYE GARANTİ BANKASI A.Ş.



TÜRKİYE HALK BANKASI A.Ş.



TÜRKİYE İŞ BANKASI A.Ş.



TÜRKİYE KALKINMA BANKASI A.Ş.

TÜRKİYE SINAI KALKINMA
BANKASI A.Ş.TÜRKİYE ŞİŞE VE CAM
FABRİKALARI A.Ş.

TÜRKİYE VAKIFLAR BANKASI T.A.O.

TÜRK PRYSMIAN KABLO VE
SİSTEMLERİ A.Ş.

TÜRK TELEKOMÜNİKASYON A.Ş.

TÜRK TRAKTÖR VE ZİRAAT
MAKİNALARI A.Ş.

TÜRK TUBORG BİRA VE MALT
SANAYİ A.Ş.

TÜRK TUBORG

ULAŞLAR TURİZM YATIRIMLARI VE
DAYANIKLI TÜKETİM MALLARI TİCARET
PAZARLAMA A.Ş.

ulaşlar

USAŞ UÇAK SERVİSİ A.Ş.

USAŞ

UŞAK SERAMİK SANAYİ A.Ş.

uşak seramik

UTOPIYA TURİZM İNŞAAT İŞLETMEÇİLİK
TİCARET A.Ş.

UTOPIYA
Türkiye Turizm İşletmecilik A.Ş.

UYUM GIDA VE İHTİYAÇ MADDELERİ
SANAYİ VE TİCARET A.Ş.

uyum

UZERTAŞ BOYA SANAYİ TİCARET VE
YATIRIM A.Ş.

uzertaş

VAKKO TEKSTİL VE HAZIR GIYİM
SANAYİ İŞLETMELERİ A.Ş.

VAKKO

ÜLKER BİSKÜVİ SANAYİ A.Ş.

ÜLKER

ÜNYE ÇİMENTO SANAYİ VE
TİCARET A.Ş.

ÜNYE ÇİMENTO

VAKIF FİNANSAL KİRALAMA A.Ş.

Vakıf Leasing

VAKIF GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.

Vakıf Gayrimenkul

VAKIF MENKUL KIYMETLER YATIRIM
ORTAKLIĞI A.Ş.

Vakıf Yatırım Ortaklığı

VANET GIDA SANAYİ İÇ VE DIŞ
TİCARET A.Ş.

Vanet
1977

VESTEL BEYAZ EŞYA SANAYİ VE
TİCARET A.Ş.

VESTEL

VESTEL ELEKTRONİK SANAYİ VE
TİCARET A.Ş.

VESTEL

VİKİNG KAĞIT VE SELÜLOZ A.Ş.

**VİKİNG KAĞIT
ve Selüloz A.Ş.**

YAPI VE KREDİ BANKASI A.Ş.

YapıKredi

YAPI KREDİ B TİPİ YATIRIM
ORTAKLIĞI A.Ş.

YapıKredi
Yatırım Ortaklığı

YAPI KREDİ KORAY GAYRİMENKUL
YATIRIM ORTAKLIĞI A.Ş.

YAPI KREDİ KORAY
GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

YAPI KREDİ SİGORTA A.Ş.

YapıKredi
Sigorta

YAPRAK SÜT VE BESİ ÇİFTLİKLERİ
SANAYİ VE TİCARET A.Ş.

YAPRAK
SÜT VE BESİ ÇİFTLİKLERİ

YATAŞ YATAK VE YORGAN SAN. TİC. A.Ş.

[yataş]
GRUP

YAZICILAR HOLDİNG A.Ş.

YAZICILAR

YEŞİL GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.

yeşil GYO
YEŞİL GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

YEŞİL YATIRIM HOLDİNG A.Ş.

yeşil yatırım holding

YİBİTAŞ YOZGAT İŞÇİ BİRLİĞİ
İNŞAAT MALZEMELERİ
TİCARET VE SANAYİ A.Ş.

YİBİTAŞ YOZGAT ÇİMENTO

YONGA MOBİLYA SANAYİ VE
TİCARET A.Ş.

YONGA

YÜNSA YÜNLÜ SANAYİ VE
TİCARET A.Ş.

YÜNSA

ZORLU ENERJİ ELEKTRİK
ÜRETİM A.Ş.

ZORLU ENERJİ
ELEKTRİK ÜRETİM

WE ARE A FAMILY

Exchange Traded Funds (December 31, 2012)

ABD HAZİNE BONOSU DOLAR B TİPİ
BORSA YATIRIM FONU



BİZİM MENKUL DEĞERLER A.Ş.
DOW JONES DJİM TÜRKİYE A TİPİ
BORSA YATIRIM FONU



BİZİM MENKUL DEĞERLER A.Ş.
KATILIM ENDEKSİ A TİPİ BORSA
YATIRIM FONU



DOW JONES İSTANBUL 20 A TİPİ
BORSA YATIRIM FONU



FINANSBANK A.Ş. GT-30 A TİPİ BORSA
YATIRIM FONU



FINANSBANK A.Ş. İMKB-30 A TİPİ
BORSA YATIRIM FONU



FTSE İSTANBUL BONO FBİST B TİPİ
BORSA YATIRIM FONU



İSTANBUL GOLD B TİPİ ALTIN BORSA
YATIRIM FONU



İSTANBUL SILVER B TİPİ BORSA
YATIRIM FONU



İŞ YATIRIM DOW JONES TÜRKİYE EŞİT
AĞIRLIKLIL A TİPİ BORSA
YATIRIM FONU



İŞ YATIRIM İBOXX TÜRKİYE GÖSTERGE
TAHVİL B TİPİ BORSA YATIRIM FONU



KUVEYT TÜRK KATILIM BANKASI A.Ş.
B TİPİ ALTIN BORSA YATIRIM FONU



KUVEYT TÜRK KATILIM BANKASI A.Ş.
B TİPİ SILVERPLUS GÜMÜŞ BORSA
YATIRIM FONU



T. GARANTİ BANKASI A.Ş.
EKO 10 ENDEKSİ A TİPİ BORSA
YATIRIM FONU



T. GARANTİ BANKASI A.Ş. MSCI
TÜRKİYE ENDEKSİ A TİPİ BORSA
YATIRIM FONU



TÜRKİYE YÜKSEK PİYASA DEĞERLİ
BANKALAR A TİPİ BORSA
YATIRIM FONU



Warrant Issuers (December 31, 2012)

DEUTSCHE SECURITIES MENKUL
DEĞERLER A.Ş. (DEUTSCHE BANK
LONDRA ŞUBESİ)

Deutsche Bank
db-X markets



ERSTE GROUP BANK AG



İŞ YATIRIM MENKUL DEĞERLER A.Ş.



TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.



Private Sector Bond Issuers (December 31, 2012)

AKBANK T.A.Ş.



AKFEN HOLDING A.Ş.



AK FİNANSAL KİRALAMA A.Ş.



ALTERNATİF FİNANSAL KİRALAMA A.Ş.



ARZUM ELEKTRİK Lİ EV ALETLERİ
SANAYİ VE TİCARET A.Ş.



BANK POZİTİF KREDİ VE KALKINMA
BANKASI A.Ş.



Private Sector Bond Issuers (December 31, 2012)

BİMEKS BİLGİ İŞLEM VE DIŞ
TİCARET A.Ş.**Bimeks**

BOYNER BÜYÜK MAĞAZACILIK A.Ş.

boynerCREDITWEST FAKTORİNG
HİZMETLERİ A.Ş.**creditwest**

DD KONUT FİNANSMANI A.Ş.

dd
MORTGAGE

DENİZBANK A.Ş.

DenizBank

DESTEK FAKTORİNG A.Ş.

Destek Faktoring

EKO FAKTORİNG A.Ş.

eko
faktoring

EKSPÖ FAKTORİNG A.Ş.

EKSPÖ
FAKTÖRİNG A.Ş.

FENERBAHÇE FUTBOL A.Ş.



FİBABANKA A.Ş.

Fibabanka

FİBA FAKTORİNG A.Ş.

FİBA
FAKTÖRİNG

GARANTİ FİNANSAL KİRALAMA A.Ş.

Garanti Leasing

HALK FİNANSAL KİRALAMA A.Ş.

HALKLEASING

İŞ FİNANSAL KİRALAMA A.Ş.

İş Leasing

KAPİTAL FAKTORİNG HİZMETLERİ A.Ş.

KAPİTALFAKTÖRİNG

KENT FAKTORİNG A.Ş.

KENTFAKTÖRİNG

KOÇ FİAT KREDİ FİNANSMAN A.Ş.

Koç Fiat Kredi

KOÇ TÜKETİCİ FİNANSMANI A.Ş.

Koç

LBT VARLIK YÖNETİM A.Ş.

LBT

LİDER FAKTORİNG HİZMETLERİ A.Ş.

LİDER
FAKTÖRİNGOTOKOÇ OTOMOTİV TİCARET VE
SANAYİ A.Ş.**Otokoç Otomotiv**RHEA GİRİŞİM SERMAYESİ YATIRIM
ORTAKLIĞI A.Ş.**Rhea**RÖNESANS GAYRİMENKUL
YATIRIM A.Ş.**RÖNESANS**
GAYRİMENKUL YATIRIM

RÖNESANS HOLDİNG A.Ş.

RÖNESANS
HOLDİNG

SARDES FAKTORİNG A.Ş.

SARDES
FAKTÖRİNGSARTEN AMBALAJ SANAYİ VE
TİCARET A.Ş.**sarten**

ŞEKERBANK T.A.Ş.

Şekerbank

ŞEKER FAKTORİNG HİZMETLERİ A.Ş.

Şeker Factoring

ŞEKER FİNANSAL KİRALAMA A.Ş.

Şeker Leasing

T.C. ZİRAAT BANKASI A.Ş.

Ziraat Bankası

TÜRK EKONOMİ BANKASI A.Ş.

TEB

TÜRKİYE GARANTİ BANKASI A.Ş.

Garanti

TÜRKİYE İŞ BANKASI A.Ş.

TÜRKİYE İŞ BANKASI

TÜRKİYE VAKIFLAR BANKASI A.Ş.

VakıfBank
Burası Sizin Yeriniz

ULUSAL FAKTORİNG A.Ş.

ULUSAL FAKTORİNG

VTB CAPITAL PLC

VTB Capital

YAPI VE KREDİ BANKASI A.Ş.

YapıKredi

WE ARE A FAMILY

Private Sector Bond Issuers (December 31, 2012)

AKBANK T.A.Ş.	AKTİF YATIRIM BANKASI A.Ş.	ALTERNATİFBANK A.Ş.	ALTINYILDIZ MENSUCAT VE KONFEKSİYON FABRİKALARI A.Ş.	DD KONUT FİNANSMANI A.Ş.	DENİZBANK A.Ş.
					
DESTEK FAKTORİNG A.Ş.	FİBABANKA A.Ş.	FİBA FAKTÖRİNG A.Ş.	FİNANSBANK A.Ş.	GARANTİ FİLO YÖNETİM HİZMETLERİ A.Ş.	GARANTİ FİNANSAL KİRALAMA A.Ş.
					
GEDİK YATIRIM MENKUL DEĞERLER A.Ş.	ING BANK A.Ş.	İŞ YATIRIM MENKUL DEĞERLER A.Ş.	ŞEKER FAKTÖRİNG HİZMETLERİ A.Ş.	T.C. ZİRAAT BANKASI A.Ş.	THE HOUSE CAFE TURİZM VE TİCARET A.Ş.
					
TÜRKİŞ FAKTÖRİNG HİZMETLERİ A.Ş.	TÜRKİYE EKONOMİ BANKASI A.Ş.	TÜRKİYE GARANTİ BANKASI A.Ş.	TÜRKİYE HALK BANKASI A.Ş.	TÜRKİYE İŞ BANKASI A.Ş.	TÜRKİYE VAKIFLAR BANKASI T.A.O.
					
ULUSAL FAKTÖRİNG A.Ş.	YAPI VE KREDİ BANKASI A.Ş.				
					

Asset Backed Security Issuer (December 31, 2012)

AKTİF YATIRIM BANKASI A.Ş. 1 NO'LU VARLIK FİNANSMAN FONU	AKTİF YATIRIM BANKASI A.Ş. 2 NO'LU EMEK VARLIK FİNANSMAN FONU	AKTİF YATIRIM BANKASI A.Ş. 3 NO'LU EMEK VARLIK FİNANSMAN FONU	AKTİF YATIRIM BANKASI A.Ş. 4 NO'LU EMEK VARLIK FİNANSMAN FONU	AKTİF YATIRIM BANKASI A.Ş. (1) NO'LU FLEETCORP KATILIM VARLIK FİNANSMAN FONU
				

İstanbul Menkul Kıymetler Borsası
Financial Statements and Independent
Auditors' Report for the Year Ending on
December 31, 2012



BORSA
İSTANBUL



**Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik A.Ş.**

Kavacık Rüzgarlı Bahçe Mah.
Kavak Sok. No: 3
Beykoz 34805 İstanbul

Telephone +90 (216) 681 90 00
Fax +90 (216) 681 90 90
Internet www.kpmg.com.tr

**Convenience Translation of the Independent Auditor's Report
Originally Prepared and Issued in Turkish (Note 2.1.1)**

İstanbul Menkul Kıymetler Borsası,

To the Board of Directors,

We have audited the accompanying financial statements of İstanbul Menkul Kıymetler Borsası ("İMKB") as at 31 December 2012, which comprise the statement of financial position as at 31 December 2012, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Financial Reporting Standards promulgated by Capital Markets Board of Turkey. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Independent Auditing Standards promulgated by Capital Markets Board of Turkey. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the 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 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 financial statements give a true and fair view of the financial position of İMKB as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with the Financial Reporting Standards (Note 2) promulgated by Capital Markets Board of Turkey.

Other matter

The accompanying financial statements include three statements of comprehensive income despite the fact that IFRS 1 - First Time Adoption of Financial Reporting Standards requires two statements of comprehensive income due to the first time adoption of International Financial Reporting Standards ("IFRS").

İstanbul, 16 April 2013

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ

Murat Alsan, SMMM
Partner

Additional Paragraph for Convenience Translation to English:

As explained in Note 2.1.1, the accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

İSTANBUL MENKUL KIYMETLER BORSASI

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

	Notes	Audited 31 December 2012	Audited 31 December 2011	Audited 1 January 2011
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	3	228,128,158	165,270,953	141,786,305
Trade receivables		204,830,757	138,041,798	127,393,286
- Trade receivables from related parties	20	12,102,098	15,128,220	13,544,832
- Other trade receivables	6	1,661,683	1,486,026	1,618,260
Other receivables		10,440,415	13,642,194	11,926,572
- Other receivables from related parties	20	159,238	39,688	92,406
- Other receivables	7	153,544	18,816	76,092
Other current assets	13	5,694	20,872	16,314
		11,036,065	12,061,247	755,781
NON-CURRENT ASSETS				
Other receivables from related parties	20	377,243,793	511,341,538	491,879,996
Equity-accounted investees	4	133,918,045	126,548,137	120,446,251
Other financial investments	5	148,932,073	124,566,317	119,848,969
Investment properties	8	75,763,802	86,793,230	79,093,496
Property and equipment	9	2,324,956	58,060,350	59,463,546
Intangible assets	10	6,445,072	110,008,065	107,727,704
Deferred tax assets	19	1,171,631	918,669	909,426
Other non-current assets	13	8,654,865	2,160,085	2,223,709
		33,349	2,286,685	2,166,895
TOTAL ASSETS		605,371,951	676,612,491	633,666,301
LIABILITIES				
CURRENT LIABILITIES				
Trade payables	6	68,206,582	49,999,293	40,478,595
Due to related parties	20	1,795,852	2,193,428	3,609,158
Provisions	11	530,812	191,274	312,533
Taxes payable on income	13	50,494,822	32,172,891	21,580,829
Current tax liabilities	19	7,003,984	6,244,501	4,922,026
Employee benefits	12	274,489	--	502,871
		8,106,623	9,197,199	9,551,178
NON-CURRENT LIABILITIES				
Employee benefits	12	36,708,753	37,045,699	34,225,325
Other non-current liabilities	13	35,969,156	36,563,977	33,968,660
		739,597	481,722	256,665
EQUITY				
Equity owned by parent		500,456,616	589,567,499	558,962,381
- Paid-in capital	14	500,456,616	589,567,499	558,962,381
- Translation reserve – Equity-accounted investees		--	--	--
- Fair value reserve		(88,742)	(92,251)	(84,158)
- Retained earnings		625,382	(1,490,720)	1,064,021
- Profit for the year		415,655,399	529,880,212	499,750,710
Non-controlling interests		84,264,577	61,270,258	58,231,808
		--	--	--
TOTAL EQUITY AND LIABILITIES		605,371,951	676,612,491	633,666,301

The accompanying notes are an integral part of these financial statements.

İSTANBUL MENKUL KIYMETLER BORSASI

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2012

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

	Notes	Audited 2012	Audited 2011	Audited 2010
CONTINUING OPERATIONS				
Revenue	15	211,620,853	194,332,893	170,702,014
GROSS PROFIT		211,620,853	194,332,893	170,702,014
General administrative expenses	16	(160,443,421)	(151,639,353)	(128,514,553)
Other operating income	17	3,283,917	3,107,925	4,467,457
Other operating expenses	17	(29,768,210)	(24,649,306)	(25,881,402)
OPERATING PROFIT		24,693,139	21,152,159	20,773,516
Income from equity-accounted investees	4	24,865,275	15,558,775	14,204,692
Finance income	18	32,469,047	28,357,996	26,114,837
Finance costs	18	(1,467)	(8,464)	(527)
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS		82,025,994	65,060,466	61,092,518
Tax benefit/(expense) from continuing operations				
- Current tax expense	19	(4,256,197)	(3,726,584)	(3,165,735)
- Deferred tax benefit/(expense)	19	6,494,780	(63,624)	305,025
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		84,264,577	61,270,258	58,231,808
DISCONTINUED OPERATIONS				
Profit for the year from discontinued operations		--	--	--
PROFIT FOR THE YEAR		84,264,577	61,270,258	58,231,808
Other comprehensive income				
Translation reserve – Equity-accounted investees		3,509	(8,093)	1,546
Change in fair value reserve		2,116,102	(2,554,741)	(7,959)
Other comprehensive income		2,119,611	(2,562,834)	(6,413)
TOTAL COMPREHENSIVE INCOME		86,384,188	58,707,424	58,225,395

The accompanying notes are an integral part of these financial statements.

İSTANBUL MENKUL KIYMETLER BORSASI

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

	Notes	Paid-in capital	Fair value reserve	Translation reserve	Retained earnings	Net profit for the year	Total equity	
							owned by parent company	Non-controlling interests
Balances at 1 January 2011	--	1,064,071	(84,158)	499,750,710	58,231,808	558,962,381	--	558,962,381
Transfer to retained earnings	--	--	--	58,231,808	(58,231,808)	--	--	--
Total comprehensive income								
Other comprehensive income	--	(2,554,741)	(8,093)	--	--	(2,562,834)	--	(2,562,834)
Profit for the year	--	--	--	--	61,270,258	61,270,258	--	61,270,258
Total comprehensive income	--	(2,554,741)	(8,093)	--	61,270,258	58,707,424	--	58,707,424
Payments to the Ministry of Finance of Republic of Turkey	--	--	--	(28,102,306)	--	(28,102,306)	--	(28,102,306)
Total transactions with owners	--	--	--	(28,102,306)	--	(28,102,306)	--	(28,102,306)
Balances at 31 December 2011	--	(1,490,720)	(92,251)	529,880,212	61,270,258	589,567,499	--	589,567,499
Balances at 1 January 2012	--	(1,490,720)	(92,251)	529,880,212	61,270,258	589,567,499	--	589,567,499
Transfer to retained earnings	--	--	--	61,270,258	(61,270,258)	--	--	--
Total comprehensive income								
Other comprehensive income	--	2,116,102	3,509	--	--	2,119,611	--	2,119,611
Profit for the year	--	--	--	--	84,264,577	84,264,577	--	84,264,577
Total comprehensive income	--	2,116,102	3,509	--	84,264,577	86,384,188	--	86,384,188
Payments to the Ministry of Finance of Republic of Turkey	--	--	--	(21,203,848)	--	(21,203,848)	--	(21,203,848)
Losses from property and equipment and investment property transfers	--	--	--	(154,291,223)	--	(154,291,223)	--	(154,291,223)
Total transactions with owners	--	--	--	(175,495,071)	--	(175,495,071)	--	(175,495,071)
Balances at 31 December 2012	--	625,382	(88,742)	415,655,399	84,264,577	500,456,616	--	500,456,616

The accompanying notes are an integral part of these financial statements.

İSTANBUL MENKUL KIYMETLER BORSASI

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2012

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

	Notes	Audited 2012	Audited 2011
Cash flows provided from operating activities			
Net profit for the year		84,264,577	61,270,258
Adjustments for:			
Current tax expense	19	4,256,197	3,726,584
Deferred tax (benefit)/expense	19	(6,494,780)	63,624
Depreciation expense	8,9	6,938,885	6,375,751
Amortisation	10	634,424	722,622
Increase in severance indemnity provision	12	4,473,624	2,477,711
Increase in unused vacation pay provision	12	1,092,899	140,331
Increase in service bonus provision	12	7,078,899	5,471,958
Provision for doubtful receivables	17	54,266	61,981
Provision for the payments to Capital Markets Board	17	22,563,273	20,686,261
Provision for withholding tax of economic enterprise of IMKB	17	5,620,110	--
Provision for claims	16	742,151	258,798
Share of profit of equity-accounted investees, net of tax	4	(24,865,275)	(15,558,775)
Net finance income	18	(32,467,580)	(28,349,532)
Cash flow from operating activities before changes in working capital		73,891,670	57,347,572
Change in trade receivables		2,971,856	(1,645,369)
Change in other receivables		(119,550)	52,718
Change in other current assets		1,025,182	(11,276,458)
Change in long term due from related parties		(7,369,908)	(6,101,886)
Change in non-current assets		2,253,336	(119,790)
Change in trade payables		(397,576)	(1,415,730)
Change in other due to related parties		339,538	(121,259)
Payments to the Ministry of Finance of Republic of Turkey	11	(32,275,042)	(20,617,828)
Change in other current liabilities		759,483	1,322,475
Change in other provisions		467,591	(369,910)
Change in other non-current liabilities		257,874	225,057
Taxes paid	19	(2,095,239)	(2,129,285)
Severance indemnity paid	12	(4,562,899)	(2,176,251)
Vacation paid	12	(2,183,475)	(494,310)
Service bonus paid	12	(7,584,445)	(3,178,101)
Capital Markets Board share paid	11	--	(17,970,436)
Net cash used in operating activities		(48,513,274)	(66,016,363)
Cash flows from investing activities			
Acquisitions of property and equipment	9	(1,931,721)	(7,252,917)
Acquisitions of intangible assets	10	(887,386)	(731,865)
Acquisitions of available for sale assets – government bonds		(32,638,273)	(42,274,986)
Acquisitions of available for sale assets – investment in equity participations		--	(362,555)
Proceeds from sale of available for sale financial assets		52,879,586	40,167,748
Acquisitions of equity-accounted investee share	4	(12,076,042)	--
Interests received		25,347,779	20,486,362
Commissions paid	18	(1,467)	(227)
Dividend received from equity-accounted investees	4	10,689,093	9,215,119
Dividend received from other investments in equity participations	18	32,943	--
Net cash provided from investment activities		41,414,512	19,246,679
Net increase in cash and cash equivalents		66,792,908	10,577,888
Effect of change in exchange rate fluctuations on cash and cash equivalents		(3,970)	3,780
Cash and cash equivalents at the beginning of the period	3	137,543,231	126,961,563
Cash and cash equivalents at the end of the period	3	204,332,169	137,543,231

The accompanying notes are an integral part of these financial statements

İSTANBUL MENKUL KIYMETLER BORSASI

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2012

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

1. ORGANIZATION OF REPORTING ENTITY AND LINE OF BUSINESS

İstanbul Menkul Kıymetler Borsası ("İMKB" or "Stock Exchange") is a public institution and a separate legal entity with no paid-in capital also the authority to exert its own responsibilities under the oversight and supervision of the Capital Markets Board ("CMB") and established in accordance with the principles set out in the Decree of Law No: 91 which was published in the Official Gazette No: 18183 on 6 October 1983 with the intention of ensuring capital markets to assume an effective role in the economic development by providing the trade of securities, engaging in determination and announcement of securities prices and managing the establishment, governance, operations and control of securities exchange in order to form a transparent and stable market where securities transactions are reliable.

The principles of establishment, governance, operations and control of İMKB are set out in the Communiqué on "Principles of Establishment and Operations of Securities Exchanges" published in the Official Gazette No: 28275 on 26 April 2012. The Communiqué on "Principles of Establishment and Operations of Securities Exchanges" prepared by CMB in accordance with the Decree No: 91 and published in the Official Gazette No: 18537 on 6 October 1984 upon the approval of Council of Ministers' order no: 84/8581 have been revoked.

İMKB was decided to be established on 19 October 1984 and a regulation was prepared outlining the operational principles and establishment of the stock exchange in Turkey. The regulation was approved by CMB and became effective following the publication in the Official Gazette dated 18 December 1985.

The Capital Market Law No. 6362 in which İMKB's operations are legally subject to legislation, was approved on 6 December 2012 and promulgated in Official Gazette No. 28513 dated 30 December 2012. As details mentioned within the context of this Law No.138, Borsa İstanbul Anonim Şirketi has been incorporated ("Borsa İstanbul"), and got the operation permission with the registry as of 3 April 2012.

Brokerage houses (banks and brokerage houses) certified by CMB can be the members of İMKB. Brokerage houses with the intention of conducting brokerage activities on İMKB are required to obtain İMKB stock exchange membership certificate.

As at 31 December 2012, İMKB has 4 (31 December 2011: 4, 1 January 2011: 4) associates and 3 (31 December 2011: 3, 1 January 2011:1) investments in equity participations. The financial statements of İMKB as at and for the year ended 31 December 2012 comprise of İMKB and associates in which İMKB has significant influence.

As at 31 December 2012, the number of employees of İMKB is 490 (31 December 2011: 452, 1 January 2011: 468). Registered address of İMKB is Reşit Paşa Mahallesi, Tuncay Artun Sokak Emirgan, İstanbul and İMKB operates in this address.

The associates that İMKB has significant influence in are as below:

İMKB Takas ve Saklama Bankası Anonim Şirketi

Since 2 January 1996, İMKB Takas ve Saklama Bankası Anonim Şirketi ("Takasbank") maintains its operations as a clearing bank. Takasbank performs custody, settlement and marketable securities transactions on behalf of intermediary institutions. Besides, Takasbank provides custody services on a customer basis. Takasbank's headquarter is located in İstanbul and has no other branch.

İSTANBUL MENKUL KIYMETLER BORSASI

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2012

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

As at 31 December 2012 İMKB owns 36.65% (31 December 2011: 32.63%, 1 January 2011: 32.63%) shares and preferred stocks amounting to TL 200 (Full TL) in Takasbank. The preferred stock gives a right of representation to İMKB with more members in Takasbank board of directors. İMKB considered having significant influence because it has representation as 4 board members of Takasbank from 11 are appointed by İMKB. As at 31 December 2012, İMKB accounted Takasbank using equity method in the accompanying financial statements.

Merkezi Kayıt Kuruluşu Anonim Şirketi

Merkezi Kayıt Kuruluşu Anonim Şirketi ("MKK") was established in İstanbul, Turkey on 26 September 2001 to maintain, through available records, capital market instruments as well as rights affixed thereon with respect to issuers, intermediary institutions and right owners, to check consistency of actual records maintained by member groups, and to manage and represent the Investors' Protection Fund.

As at 31 December 2012, İMKB owns 30% (31 December 2011: 30%; 1 January 2011: %30) of shares in MKK. İMKB considered having significant influence because it has representation as 2 board members of MKK from 7 are appointed by İMKB. As at 31 December 2012, İMKB accounted MKK using equity method in the accompanying financial statements.

Vadeli İşlem ve Opsiyon Borsası Anonim Şirketi

Vadeli İşlem ve Opsiyon Borsası Anonim Şirketi ("VOB") was established on 4 July 2002 in accordance with the principles set out in the article 40 of revised Capital Market Law No. 2499. VOB's line of business is to develop, operate and regulate markets which stock markets instruments comprising all sorts of derivatives, options and futures contracts in compliance with Capital Market Law and relevant legal provisions. VOB commenced its operations as of February, 2005.

As at 31 December 2012, İMKB owns 18% (31 December 2011: 18%; 1 January 2011: 18%) of shares in VOB. Whilst İMKB has less than 20% of shares in VOB, it is considered to have significant influence because it has representation as 1 board members of VOB from 9 are appointed by İMKB and other shareholders of VOB have maximum 2 board members. As at 31 December 2012, İMKB accounted VOB using equity method in the accompanying financial statements.

According to the article 138/6 (b) of Capital Market Law No. 6362, which was promulgated in the Official Gazette numbered 28513 and dated 30 December 2012; within a month after the registration date of the articles of association of Borsa İstanbul; upon the demand of existing shareholders, shares will be given in Borsa İstanbul by a rate by multiplying the existing shareholding rate in VOB with 0.05, in exchange of the shares in VOB.

Kyrgyz Stock Exchange

İMKB invested in Kyrgyz Stock Exchange with 27.4% share as at 29 May 2000. According to the memorandum of the entity signed by the 17 members including İMKB, it was decided that Kyrgyz Stock Exchange will continue as a corporation.

As at 31 December 2012, İMKB owns 24.51% (31 December 2011: 24.51%, 1 January 2011: 24.51%) of share in Kyrgyz Stock Exchange. İMKB considered having significant influence because it has representation as 1 board members of Kyrgyz Stock Exchange from 7 are appointed by İMKB. As at 31 December 2012, İMKB accounted Kyrgyz Stock Exchange using equity method in the accompanying financial statements.

İSTANBUL MENKUL KIYMETLER BORSASI

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2012

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basis of presentation

2.1.1 Statement of compliance

İMKB maintains its books of account and prepares its statutory financial statements in accordance with the Turkish Commercial Code, Tax Procedural Law and private budget approved by İMKB's General Assembly and CMB. Revenues, expenses and expenditure procedures included in the budget are set in accordance with the regulations established by the Stock Exchange.

İMKB prepared its financial statements in accordance with the communiqué Serial: XI, No: 29 "Communiqué on Financial Reporting Standards in Capital Markets" ("Communiqué XI-29") promulgated by CMB, which was published on 9 April 2008 in the Official Gazette numbered 26842. Companies, which reports in accordance with financial reporting standards of CMB, are required to prepare their financial statements in accordance with article 5 of the Communiqué XI-29 which refers to International Accounting Standards ("IAS") / International Financial Reporting Standards ("IFRS"), as adopted by European Union.

However, according to temporary article 2 which is related to the practice of article 5 of the Communiqué XI-29, until the announcement by the Turkish Accounting Standards Board ("TASB") of differences between IAS/IFRSs adopted by the European Union and IAS/IFRSs issued by the International Accounting Standard Board ("IASB"), IAS/IFRS adopted by IASB are applied. In this context, İMKB has prepared its financial statements in accordance with IAS/IFRSs as issued by IASB as at 31 December 2012.

Per decree No. 660 published in the Official Gazette dated 2 November 2011 and became effective, additional article 1 of the Law numbered 2499 on establishment of TASB have been abrogated and establishment of Public Oversight, Accounting and Auditing Standards Authority ("the Association") has been decided by the Council of Ministers. In accordance with the first temporary article of the decree, currently effective standards and regulations will prevail until related standards and regulations will be issued by the Association and become effective. Accordingly, as at reporting date, the Basis of Presentation has not been affected.

The financial statements were authorised by İMKB management on 16 April 2013 for issue to the Board of Directors. The General Assembly and the related governmental institutions have the authority to revise the financial statements after their issuance.

Additional Paragraph for Convenience Translation to English

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying financial statements are to be distributed may have significant influence on the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with the accounting principles generally accepted in such countries.

2.1.2 Basis of preparation

These are the first IFRS financial statements of İMKB prepared in accordance with IFRS 1 First-time Adoption of International Financial Reporting Standards. An explanation of how the transition to IFRSs has affected the financial position, financial performance and cash flows of İMKB is provided in Note 24. The accompanying financial statements and notes as at 31 December 2012 have been prepared according to the "Communiqué XI 29" related to the Principles Regarding Financial Reporting on Capital Markets which was announced by the decision of CMB numbered 11/467 on 17 April 2008.

2.1.3 Correction of financial statements during the hyperinflationary periods

CMB announced that the inflation accounting application was not valid starting from 1 January 2005 for the companies operating in Turkey and preparing financial statements in compliance with the accounting and reporting principles of CMB based on the decision of CMB on 17 March 2005 numbered 11/467. Thus, the 'Financial Reporting in Hyperinflationary Economies' No 29 published by IASB has not been applied since 1 January 2005.

İSTANBUL MENKUL KIYMETLER BORSASI

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2012

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

2.1.4 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. The methods used to measure the fair values are discussed further in Note 21.

2.1.5 Functional and presentation currency

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

2.1.6 Foreign currency transactions

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of İMKB entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to reporting currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to reporting currency at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When İMKB disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When İMKB disposes of only part of its investment in associates or jointly controlled entities that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2.1.7 Comparative information

The accompanying financial statements are presented comparatively to determine the tendency in the financial position, performance and cash flows of İMKB. The accompanying financial statements include three comparative statements of financial position according to IFRS 1 - First Time Adoption of Financial Reporting Standards requirements as İMKB is a first time adopter of IFRSs.

İSTANBUL MENKUL KIYMETLER BORSASI

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2012

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

2.2 Changes in accounting policies, 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, then they are applied both in the period the change is made and prospectively in the future periods.

2.3 Accounting estimates

The preparation of financial statements in conformity with the Communiqué XI-29 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 at 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 6 – Trade receivables and payables
- Note 8 – Investment properties
- Note 9 – Property and equipment
- Note 10 – Intangible assets
- Note 11 – Provisions, contingent asset and liabilities
- Note 12 – Employee benefits
- Note 19 – Tax benefit and liabilities

2.4 New standards and interpretations not yet adopted as at 31 December 2012

2.4.1 Standards, amendments and interpretations to existing standards effective in 2012

İMKB applied all of the relevant and required standards promulgated by IASB and the interpretations of IASB as at 31 December 2012.

2.4.2 New standards and interpretations not yet adopted as at 31 December 2012

A number of new standards, amendments to standards and interpretations are not yet effective as at 31 December 2012, and have not been applied in preparing these financial statements. Among those new standards, the following are expected to have effect on the financial statements of İMKB:

Amendments to IAS 1 *Presentation of Items of Other Comprehensive Income* require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The amendments are effective for annual periods beginning on or after 1 July 2012.

İSTANBUL MENKUL KIYMETLER BORSASI

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2012

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

IFRS 10 *Consolidated Financial Statements* supersedes IAS 27 (2008) and SIC-12 Consolidation—Special Purpose Entities and becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 11 *Joint Arrangements* supersedes IAS 31 and SIC-13 *Jointly Controlled Entities—Non-Monetary Contributions by Venturers* and becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 12 *Disclosure of Interests in Other Entities* contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities and becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 13 *Fair Value Measurement* replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance and becomes effective for annual periods beginning on or after 1 January 2013.

IAS 27 *Separate Financial Statements* (2011) supersedes IAS 27 Consolidated and *Separate Financial Statements (2008)* and becomes effective for annual periods beginning on or after 1 January 2013.

IAS 28 *Investments in Associates and Joint Ventures* (2011) supersedes IAS 28 *Investments in Associates (2008)* and becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 9 *Financial Instruments* could change the classification and measurement of financial assets and becomes effective for annual periods beginning on or after 1 January 2015.

IAS 19 *Employee Benefits* (2011) changes the definition of short-term and other long-term employee benefits to clarify the distinction between the two. For defined benefit plans, the accounting policy choice for recognition of actuarial gains and losses and corridor method are removed and IAS 19 revised (2011) is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

2.4 New standards and interpretations not yet adopted as at 31 December 2012

2.4.2 Standards, amendments and interpretations to existing standards effective in 2012

IAS 32 *Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities* (Amended): The amendments clarify the meaning of currently has a legally enforceable right to set-off and also clarify the application of the IAS 32 offsetting criteria to settlement systems which apply gross settlement mechanisms that are not simultaneous. These amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2014.

IFRS 7 *Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements* (Amended): New disclosures would provide users of financial statements with information that is useful in (a) evaluating the effect or potential effect of netting arrangements on an entity's financial position and (b) analysing and comparing financial statements prepared in accordance with IFRSs and other generally accepted accounting standards. The amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods.

İMKB does not plan to adopt these standards early and the extent of the impact has not been determined yet.

İSTANBUL MENKUL KIYMETLER BORSASI

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2012

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

2.5. Summary of significant accounting policies

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

2.5.1 Basis of accounting for equity accounted investees

The accompanying financial statements demonstrate the accounts of the parent company, İMKB and its associates on the basis set out in sections below.

Equity-accounted investees

Associates are those entities in which İMKB has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when İMKB holds between 20 percent and 50 percent of the voting power of another entity.

Investments in associates are accounted for under the equity method and are recognised initially at cost. The cost of the investment includes transaction costs. The financial statements include İMKB's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of İMKB, from the date that significant influence commences until the date that significant influence or joint control ceases.

When İMKB's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that İMKB has an obligation or has made payments on behalf of the investee.

The unrealised profits that arise from the transactions between İMKB and associates are corrected to the extent of the share in that associate. The unrealised losses are also corrected if the transaction does not indicate any impairment.

2.5.2 Revenue

Service revenue

Income from ordinary operations is recognised as revenue on accrual basis.

Main revenue items of İMKB's operational income consist of initial and annual stock-exchange membership fees, stock-exchange quotation fees, registration fees and exchange fees.

Security registration fees include revenues obtained from off-exchange trading of securities, repo and reverse repo transactions which are reported weekly to İMKB by banks and brokerage houses. Accordingly, registration fees related to these transactions are accrued on a weekly basis.

Stock Exchange transaction fee consist of monthly accrued income which is calculated for each trading transaction executed in the stock market, bonds and bills market, and international market.

Stock exchange quotation fees consist of listing fee; stand in listing fee and renewal of listing fee. Listing fee is charged over nominal values of securities in each purchase of listing. Companies having securities listed in İMKB are required to pay stand in listing fees for each year that their securities are listed in İMKB.

İMKB receives license fee on monthly stock exchange fee from forward transactions of VOB that uses indices of İMKB.

İSTANBUL MENKUL KIYMETLER BORSASI

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2012

(Currency: Amounts are expressed in full Turkish Lira (TL) unless otherwise stated)

Stock exchange quotation fees consist of listing fee; stand in listing fee and renewal of listing fee. Listing fee is charged over nominal values of securities in each purchase of listing. Companies having securities listed in İMKB are required to pay stand in listing fees for each year that their securities are listed in İMKB.

Renewal of stock exchange quotation fee is paid by companies for securities that are temporarily held outside the Stock Exchange by the Board of Directors when such securities are relisted in İMKB. On the other hand, stock market fees are accrued to related companies within the same principles as stock exchange quotation fees.

Rental income

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

2.5.3 Property and equipment

Property and equipment acquired before 1 January 2005 are carried at cost as adjusted for the effects of inflation in TL units current at 31 December 2004 less accumulated depreciation and impairment losses, and property and equipment acquired after 1 January 2005 are carried at acquisition cost less accumulated depreciation and impairment losses, if any.

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	Years
Land improvements	15
Buildings	50
Machinery and equipment	4 – 10
Vehicles	5
Furniture and fixtures	4 – 15

Subsequent expenditures

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.

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2.5.4 Investment properties

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

Investment properties are initially recognised at cost including the acquisition costs.

İMKB measures investment properties with the cost method applied for the property and equipment after initial recognition (thereby deducting accumulated depreciation and impairment losses, if any). The useful life of the investment properties is 50 years in total and depreciated by rate of 2%.

2.5.5 Intangible assets

Intangible assets are comprised of information technologies and computer software. Intangible assets are carried at cost as adjusted for the effects of inflation in TL units current at 31 December 2004 for the intangible assets acquired before 1 January 2005, and intangible assets acquired after 1 January 2005 are carried at acquisition cost less accumulated amortisation and impairment losses, if any. 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.

2.5.6 Financial instruments

İMKB'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

İMKB recognises its trade and other receivables on the date that they are originated. All other financial assets are recognised on the transaction date that İMKB becomes a party for related financial agreements. İMKB 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 İMKB 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, İMKB 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.

İMKB classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

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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. İMKB'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.

İMKB 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.

Available-for-sale financial assets comprise investments in equity securities and government bonds.

Non-derivative financial liabilities

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

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

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İMKB 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 Group has the following other financial liabilities: financial liabilities, trade and other payables.

Paid-in capital

İMKB is a public entity with no paid-in capital.

2.5.7 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 İMKB on terms that İMKB 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

İMKB 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.

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Non-financial financial asset

The carrying amount of İMKB'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 recognised 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.

2.5.8 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, İMKB has no shares that are not traded in a stock exchange market, earnings per share is not calculated in accompanying financial statements.

2.5.9 Subsequent events

Events after reporting date comprise any event between the reporting date and the date of authorisation for the issuance of the financial statements. Conditions of subsequent events are as follows:

- to have new evidences of subsequent events as of reporting date (adjusting events); and
- to have evidences of showing related subsequent events occurred after reporting date (non-adjusting events).

İMKB adjusts its financial statements if adjusting events arise subsequent to the reporting date. If it is not necessary to adjust the financial statements according to subsequent events, these subsequent events are disclosed in the notes to the financial statements.

2.5.10 Provisions, contingent liabilities and assets

According to IAS 37 – Provisions, contingent liabilities and assets, a provision is recognised when İMKB 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, İMKB discloses the related issues in the accompanying notes. Contingent assets are disclosed in the notes and not recognised unless it is realised.

2.5.11 Lease transactions

Leases in terms of which İMKB 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 İMKB are operational leases.

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2.5.12 Employee benefits

In accordance with the existing social security legislation in Turkey and collective labor agreement, İMKB is required to make lump sum payments to employees whose employment is terminated due to retirement military obligation; death; and termination of contract by employers and/or by female employees in case of marriage. Sevarance indemnity provision is calculated by considering the whole liability assuming that the employees will be terminated using actuarial assumptions. The amount payable consists of 45 days salary limited to a maximum of TL 3,0334 (31 December 2011: TL 2,732, 1 January 2011: TL 2,517) ceiling for each year of service as of 31 December 2012.

İMKB recognises an expense accrual for service bonus payable to its personnel in accordance with Article 49 of İMKB personnel regulations. The calculation is made on the basis of the employee's seniority, service term and recent salary. This amount is followed up under the provision for employee benefits accounts.

In accordance with the Labor Law in Turkey, İMKB 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 and included in the provision for employee benefits.

2.5.13 Finance income and finance costs

Finance 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 İMKB's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance costs comprise of commissions paid.

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

2.5.14 Reporting of financial information per segments

An operating segment is a component of İMKB 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 İMKB'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 İMKB 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 comprises current and deferred taxes. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity, or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

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Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that İMKB is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The profit generated from its optional and service fees other than listing fees, all types of registration and securities exchange fees and membership fees; it is subject to corporate income tax in accordance with the decision made on 5 May 2008 by the Office of Revenue Administration.

İMKB has calculated and recognised corporate income tax by 20% (31 December 2011: 20%, 1 January 2011: 20%) on its revenue from its economic businesses in accordance with the decision of the Ministry of Finance of Republic of Turkey.

2.5.16 Statement of cash flows

İMKB presents statement of cash flows as an integral part of other financial statements to inform the users of financial statements about the changes in its net assets, its financial structure and its ability to manage the amount and timing of its cash flows under changing conditions.

In the statement of cash flows, cash flows are classified according to operating, investment and financing activities. Cash flows from operating activities reflect cash flows mainly generated from main operations of İMKB. Cash flows from investment activities reflect cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of İMKB. Cash flows relating to financing activities reflect sources of financial activities and repayments schedules of the financial liabilities of İMKB. Cash and cash equivalents comprise cash on hand and demand deposits, investment funds, bank deposits with maturities less than three months.

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3. CASH AND CASH EQUIVALENTS

As at 31 December 2012, 2011 and 1 January 2011 cash and cash equivalents are as follows:

	31 December 2012	31 December 2011	1 January 2011
Banks – Time deposits	204,645,132	137,661,181	127,069,563
Investment funds (Type B liquid)	124,887	377,584	234,877
Banks – Demand deposits	60,738	3,033	88,846
Cash and cash equivalents on statement of financial position	204,830,757	138,041,798	127,393,286
Accruals on cash and cash equivalents	(498,588)	(498,567)	(431,723)
Cash and cash equivalents on statement of cash flows	204,332,169	137,543,231	126,961,563

As at 31 December 2012, 2011 and 1 January 2011, there is no blockage on bank deposits.

Banks-Time deposits

The details of time deposits as at 31 December 2012, 2011 and 1 January 2011 are as follows:

	Amount(TL)	Interest rate range	Maturity
31 December 2012			
TL	204,645,132	5.25% – 6.50%	2 January – 1 February 2013
31 December 2011			
TL	137,661,181	9.25% – 10.32%	6 January – 3 February 2012
1 January 2011			
TL	127,069,563	6.00% – 8.81%	7 January – 4 February 2011

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4. EQUITY-ACCOUNTED INVESTEEES

İMKB's share of profit in its equity-accounted investees is amounting to TL 24,865,275 as at 2012 (2011: TL 15,558,775, 2010: TL 14,204,692).

In 2012, İMKB received dividends of TL 10,689,093 from its investments in equity-accounted investees (2011: TL 9,215,119, 2010: TL 4,445,137). None of İMKB's equity-accounted investees are publicly listed entities and consequentially do not have published price quotations.

Whilst İMKB has less than 20% ownership of VOB, İMKB is considered to have significant influence because it has representation on the Board of Directors of the investee.

Summary financial information for equity accounted investees is as follows for the years ended 31 December 2012, 31 December 2011 and 1 January 2011:

31 December 2012	Participation Rate	Total Assets	Total Liabilities	Net Assets	Current Year Profit/ (Loss)	İMKB's Share in Profit/(Loss)	İMKB's Shares in Net Assets
Takasbank (*)	36.65%	3,671,623,000	3,340,018,000	331,605,000	55,168,000	18,992,761	121,232,804
MKK	30.00%	73,722,208	17,315,176	56,407,032	19,085,245	4,912,504	16,922,111
VOB	18.00%	73,201,191	14,572,453	58,628,738	5,531,717	995,553	10,553,174
Kyrgyz Stock Exchange	24.51%	1,119,970	206,122	913,848	(145,014)	(35,543)	223,984
Total						24,865,275	155,002,665

(*) İMKB purchased Takasbank shares with a nominal amount of TL 2,406,509 which are registered in intermediary institutions' Tasarruf Mevduatı Sigorta Fonu ("TMSF") account, by paying TL 12,076,042. After acquisition, İMKB's ownership in Takasbank increased from 32.63% to 36.65%.

31 December 2011	Participation Rate	Total Assets	Total Liabilities	Net Assets	Current Year Profit/ (Loss)	İMKB's Share in Profit/(Loss)	İMKB's Shares in Net Assets
Takasbank	32.63%	2,355,782,000	2,048,266,000	307,516,000	34,844,000	10,350,324	100,327,505
MKK	30.00%	56,881,916	9,749,897	47,132,019	14,886,755	3,800,435	14,139,607
VOB	18.00%	64,313,571	9,648,700	54,664,871	7,839,272	1,410,849	9,839,678
Kyrgyz Stock Exchange	24.51%	1,274,487	215,625	1,058,862	(11,558)	(2,833)	259,527
Total						15,558,775	124,566,317

1 January 2011	Participation Rate	Total Assets	Total Liabilities	Net Assets	Current Year Profit/ (Loss)	İMKB's Share in Profit/(Loss)	İMKB's Shares in Net Assets
Takasbank	32.63%	1,504,735,000	1,207,040,000	297,695,000	28,048,000	8,257,421	97,123,389
MKK	30.00%	54,469,137	9,005,233	45,463,904	15,020,056	3,935,752	13,639,172
VOB	18.00%	59,162,623	10,140,146	49,022,477	11,194,931	2,014,853	8,824,048
Kyrgyz Stock Exchange	24.51%	1,195,037	124,617	1,070,420	(13,602)	(3,334)	262,360
Total						14,204,692	119,848,969

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5. OTHER FINANCIAL INVESTMENTS

As of 31 December 2012, 31 December 2011 and 1 January 2011 other financial investments are as follows:

	31 December 2012	31 December 2011	1 January 2011
Government bonds – available-for-sale financial assets	75,244,637	86,274,065	78,936,886
Investments in equity participations –available-for-sale financial assets	519,165	519,165	156,610
Other financial investments	75,763,802	86,793,230	79,093,496

As at 31 December 2012, 31 December 2011 and 1 January 2011, details of government bonds are as follows:

	Nominal Value	Carrying Value	Interest Rate(%)	Maturity Date (%)
31 December 2012				
Zero coupon governments bonds	76,627,000	75,244,637	5.99 - 6.22	3 – 5 months
Total	76,627,000	75,244,637		
31 December 2011				
Zero coupon governments bonds	93,512,210	86,274,065	10.97 - 12.48	1 – 17 months
Total	93,512,210	86,274,065		
1 January 2011				
Zero coupon governments bonds	83,661,205	78,936,886	7.77 - 9.27	7 – 16 months
Total	83,661,205	78,936,886		

As at 31 December 2012, 2011 and 1 January 2011, details of investments in equity participations are as follows:

	31 December 2012		31 December 2011		1 January 2011	
	Participation Rate(%)	Carrying Amount	Participation Rate(%)	Carrying Amount	Participation Rate(%)	Carrying Amount
Investments in equity participations						
Sermaye Piyasası Lisanslama						
Sicil ve Eğitim Kuruluşu A.Ş.	10.00%	200,000	10.00%	200,000	--	--
Sarajevo Stock Exchange	4.99%	162,555	4.99%	162,555	--	--
Baku Stock Exchange	5.26%	156,610	5.26%	50,372	5.26%	156,610
		519,165		519,165		156,610

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

On 2 May 2011, İMKB participated to Sarajevo Stock Exchange ("SASE") by acquiring 4.99% of equity share which is allocated through capital increase.

İMKB participated to Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu A.Ş. through paying TL 200,000 in consideration of 200,000 Type A shares which corresponds 10% share of the company.

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6. TRADE RECEIVABLES AND PAYABLES

Trade receivables

Short term trade receivables

As at 31 December 2012, 31 December 2011 and 1 January 2011, short term trade receivables of İMKB are as follows:

	31 December 2012	31 December 2011	1 January 2011
Receivables from members (*)	8,734,028	12,005,372	10,039,350
Receivables from data vending firms	1,574,486	1,567,562	1,128,748
Receivables from listing fees	24,390	30,000	744,579
Other receivables	107,511	39,260	13,895
Doubtful receivables	1,811,468	1,789,733	1,744,640
Provisions for doubtful receivables (-)	(1,811,468)	(1,789,733)	(1,744,640)
Total	10,440,415	13,642,194	11,926,572

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

For the years ended 31 December 2012, 31 December 2011 and 31 December 2010, the movements of provisions for doubtful receivables are as follows:

	2012	2011	2010
1 January	1,789,733	1,744,640	1,451,477
Current year provisions (Note 17)	54,266	61,981	338,378
Current year collections (Note 17)	(32,531)	(16,888)	(45,215)
Total	1,811,468	1,789,733	1,744,640

Trade payables

Short term trade payables

As at 31 December 2012, 31 December 2011 and 1 January 2011, short term trade payables of İMKB are as follows:

	31 December 2012	31 December 2011	1 January 2011
Payables to domestic suppliers	1,795,852	2,193,428	3,609,158
Total	1,795,852	2,193,428	3,609,158

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7. OTHER RECEIVABLES AND PAYABLES

As at 31 December 2012, short term other receivables amounting to TL 5,694 (31 December 2011: TL 20,872 ve 1 January 2011: TL 16,314) comprises insurance receivables, other receivables and doubtful receivables, which is full provided for a provision, amounting to TL 174,539 (31 December 2011: TL 174,539 ve 1 January 2011: TL 174,774).

8. INVESTMENT PROPERTIES

For the years ended 31 December 2012, 31 December 2011 and 31 December 2010, the movements of the investment properties are as follows:

<i>Cost</i>	1 January 2012	Additions	Disposals (*)	31 December 2012
Investment properties	70,159,781		(67,347,334)	2,812,447
Total	70,159,781	--	(67,347,334)	2,812,447
<i>Accumulated depreciation</i>				
Investment properties	(12,099,431)	(1,403,196)	13,015,136	(487,491)
Total	(12,099,431)	(1,403,196)	13,015,136	(487,491)
Net carrying value	58,060,350			2,324,956
<i>Cost</i>	1 January 2011	Additions	Disposals	31 December 2011
Investment properties	70,159,781	--	--	70,159,781
Total	70,159,781	--	--	70,159,781
<i>Accumulated depreciation</i>				
Investment properties	(10,696,235)	(1,403,196)	--	(12,099,431)
Total	(10,696,235)	(1,403,196)	--	(12,099,431)
Net carrying value	59,463,546			58,060,350
<i>Cost</i>	1 January 2010	Additions	Disposals	1 January 2011
Investment properties	70,159,781	--	--	70,159,781
Total	70,159,781	--	--	70,159,781
<i>Accumulated depreciation</i>				
Investment properties	(9,293,040)	(1,403,196)	--	(10,696,235)
Total	(9,293,040)	(1,403,196)	--	(10,696,235)
Net carrying value	60,866,741			59,463,546

(*) As at 31 December 2011 and 1 January 2011, İMKB's investment properties comprise Capital Market Board and Akmerkez office buildings which are located in Ankara and İstanbul respectively. As at 30 December 2012, investment property in Ankara transferred to the Capital Market Board for free in accordance with Capital Market Law No. 6362 which was issued in Official Gazette dated 30 December 2012 and numbered 28514.

As at 31 December 2012, İMKB's investment property comprises only a property in Akmerkez Shopping Center in İstanbul. According to the valuation report of an independent appraiser firm which is authorised by CMB; fair value of the property in Akmerkez Shopping Center is amounting to TL 9,500,000. As at 31 December 2012, İMKB's rental income from investment properties amounted to TL 2,972,103 (2011: TL 2,621,880, 2010: TL 3,293,336).

There are not any capitalised borrowing costs, mortgage or pledge on the investment properties.

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9. PROPERTY AND EQUIPMENT

For the years ended 31 December 2012, 31 December 2011 and 31 December 2010, movements of the tangible assets are as follows:

<i>Cost</i>	1 January 2012	Additions	Disposals (*)	31 December 2012
Lands	43,382,654	--	(43,382,654)	--
Land improvements	450,982	13,459	(464,441)	--
Buildings held for own use	80,091,233	231,613	(80,322,846)	--
Machinery and equipment	14,446,090	659,104	--	15,105,194
Vehicles	1,462,422	--	--	1,462,422
Furnitures and fixtures	26,504,690	1,027,545	--	27,532,235
Works of art	137,592	--	--	137,592
Total	166,475,663	1,931,721	(124,169,941)	44,237,443

Accumulated depreciation

Lands	--	--	--	--
Land improvements	(93,569)	(26,683)	120,252	--
Buildings held for own use	(22,174,359)	(1,916,305)	24,090,664	--
Machinery and equipment	(11,106,495)	(1,308,289)	--	(12,414,784)
Vehicles	(651,098)	(292,486)	--	(943,584)
Furnitures and fixtures	(22,319,589)	(1,988,150)	--	(24,307,739)
Works of art	(122,488)	(3,776)	--	(126,264)
Total	(56,467,598)	(5,535,689)	24,210,916	(37,792,371)

Net carrying value	110,008,065		(99,959,025)	6,445,072
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<i>Cost</i>	1 January 2011	Additions	Disposals	31 December 2011
Lands	42,700,754	681,900	--	43,382,654
Land improvements	244,334	206,648	--	450,982
Buildings held for own use	77,367,799	2,723,434	--	80,091,233
Machinery and Equipment	12,599,588	2,426,358	(579,856)	14,446,090
Vehicles	2,033,900	--	(571,478)	1,462,422
Furnitures and Fixtures	27,518,949	1,195,697	(2,209,956)	26,504,690
Works of art	118,712	18,880	--	137,592
Total	162,584,036	7,252,917	(3,361,290)	166,475,663

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Accumulated depreciation

Lands	--	--	--	--
Land improvements	(80,132)	(13,437)	--	(93,569)
Buildings held for own use	(20,298,918)	(1,875,441)	--	(22,174,359)
Machinery and equipment	(10,596,091)	(1,090,260)	579,856	(11,106,495)
Vehicles	(930,092)	(292,484)	571,478	(651,098)
Furnitures and fixtures	(22,832,387)	(1,697,158)	2,209,956	(22,319,589)
Works of art	(118,712)	(3,776)	--	(122,488)
Total	(54,856,332)	(4,972,556)	3,361,290	(56,467,598)
Net carrying value	107,727,704		--	110,008,065

(*) In accordance with Capital Market Law No. 6362 which was issued in official Gazette dated 30 December 2012 and numbered 28514, İMKB transferred all lands, buildings and land improvements to the Turkish Republic Undersecretariat of Treasury for free.

Cost	1 January 2010	Additions	Disposals	31 December 2010
Lands	42,700,754	--	--	42,700,754
Land improvements	228,227	16,107	--	244,334
Buildings held for own use	73,232,090	4,135,709	--	77,367,799
Machinery and equipment	12,194,949	404,639	--	12,599,588
Vehicles	2,161,894	452,127	(580,121)	2,033,900
Furnitures and fixtures	26,431,092	1,087,857	--	27,518,949
Works of art	118,712	--	--	118,712
Total	157,067,718	6,096,440	(580,121)	162,584,036

Accumulated depreciation

Lands	--	--	--	--
Land improvements	(67,842)	(12,290)	--	(80,132)
Buildings held for own use	(18,637,447)	(1,661,471)	--	(20,298,918)
Machinery and equipment	(9,709,779)	(886,312)	--	(10,596,091)
Vehicles	(1,265,415)	(244,798)	580,121	(930,092)
Furnitures and fixtures	(21,260,432)	(1,571,955)	--	(22,832,387)
Works of art	(118,712)	--	--	(118,712)
Total	(51,059,628)	(4,376,826)	580,121	(54,856,332)
Net carrying value	106,008,091		--	107,727,704

Works of art are not subject to depreciation. There are not any capitalised borrowing costs, mortgage or pledge on property and equipment.

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10. INTANGIBLE ASSETS

For the years ended 31 December 2012, 2011 and 31 December 2010, the movements of the intangible assets are as follows:

<i>Cost</i>	1 January 2012	Additios	Disposals	31 December 2012
Software licences	6,201,260	887,386	--	7,088,646
Total	6,201,260	887,386	--	7,088,646
<i>Accumulated amortisation</i>				
Software licences	(5,282,591)	(634,424)	--	(5,917,015)
Total	(5,282,591)	(634,424)	--	(5,917,015)
Net carrying value	918,669		--	1,171,631
<i>Cost</i>				
	1 January 2011	Additios	Disposals	31 December 2011
Software licences	5,469,395	731,865	--	6,201,260
Total	5,469,395	731,865	--	6,201,260
<i>Accumulated amortisation</i>				
Software licences	(4,559,969)	(722,622)	--	(5,282,591)
Total	(4,559,969)	(722,622)	--	(5,282,591)
Net carrying value	909,426		--	918,669
<i>Cost</i>				
	1 January 2010	Additios	Disposals	31 December 2010
Software licences	4,992,033	477,362	--	5,469,395
Total	4,992,033	477,362	--	5,469,395
<i>Accumulated amortization</i>				
Software licences	(4,000,113)	(559,856)	--	(4,559,969)
Total	(4,000,113)	(559,856)	--	(4,559,969)
Net carrying value	991,920		--	909,426

There are not any internally generated intangible assets.

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11. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions

As at 31 December 2012, 31 December 2011 and 1 January 2011, the details of short term provisions are as follows:

	31 December 2012	31 December 2011	1 January 2011
Provision for CMB share	43,249,534	20,686,261	17,970,436
Stoppage provision (*)	5,620,110	--	--
Lawsuit provision	1,000,949	258,798	--
Other provisions	624,229	156,638	6,082
Official auction sales	--	--	16,209
Investors protection funds 4487	--	--	1,386
Provision for the share of Turkish Republic Ministry of Finance (As per the act 5018 clause 78) (*)	--	11,071,194	3,586,716
Total	50,494,822	32,172,891	21,580,829

(*) In accordance with Turkish Republic Revenue Administration İstanbul Tax Office Taxpayers Services VAT Group Department's ruling dated 13 March 2013 and numbered 39044742-BITT-396, this balance is related to income tax stoppage provision which will arise while transferring İMKB's retained earnings and current year profit to Borsa İstanbul per Capital Market Law No. 6362.

For the years ended 31 December 2012, 31 December 2011 and 31 December 2010, the movements of CMB share provisions are as follow:

	31 December 2012	31 December 2011	31 December 2010
At the beginning of the period	20,686,261	17,970,436	5,630,180
Current year provisions	22,563,273	20,686,261	23,601,975
Current year collections	--	(17,970,436)	(11,261,719)
At the end of the period	43,249,534	20,686,261	17,970,436

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, İMKB has provided provision for CMB share to be paid. The provisions for CMB share provided for 2012 and 2011 have not been released as CMB has not requested the payment yet.

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For the years ended 31 December 2012, 31 December 2011 and 31 December 2010, the movements of provisions for the share of Turkish Republic Ministry of Finance are as follow:

	31 December 2012	31 December 2011	31 December 2010
At the beginning of the period	11,071,194	3,586,716	10,468,542
Current year provisions	21,203,848	28,102,306	24,507,778
Current year collections	(32,275,042)	(20,617,828)	(31,389,604)
At the end of the period	--	11,071,194	3,586,716

Lawsuits

31 December 2012

Ongoing lawsuits filed by İMKB :

Number of court cases	24
Amount TL	1,827,832

Ongoing lawsuits filed against İMKB:

Number of court cases	54
Amount TL	1,662,496

31 December 2011

Ongoing lawsuits filed by İMKB :

Number of court cases	24
Amount TL	2,347,047

Ongoing lawsuits filed against İMKB:

Number of court cases	59
Amount TL	1,677,253

1 January 2011

Ongoing lawsuits filed by İMKB :

Number of court cases	18
Amount TL	680,123

Ongoing lawsuits filed against İMKB:

Number of court cases	98
Amount TL	4,020,235

İMKB assessed the ongoing lawsuits filed against and İMKB provided a provision amounting to TL 1,000,949 as at 31 December 2012 for cash outflow expected lawsuits filed against İMKB (31 December 2011: TL 258,798 ; 1 January 2011: None).

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Commitments

The future aggregate minimum lease payments under operating leases for properties and motor vehicles rented are as follows:

	31 December 2012	31 December 2011	31 December 2010
Less than 1 year	1,490,475	2,603,358	--
More than 1 year and less than 5 years	382,763	1,301,679	3,196,139
Total minimum lease payments	1,873,238	3,905,037	3,196,139

Total Amount of Commitments Not Included in Liabilities

	31 December 2012	31 December 2011	1 January 2011
Guarantees received from members			
Bond and Bill Guarantees	7,197,695,914	6,832,512,655	7,044,518,271
Stock Market Guarantees	302,084,712	339,644,097	263,449,238
International Market Guarantees	2,508,260	2,476,465	74,855
Total	7,502,288,886	7,174,633,217	7,308,042,364

	31 December 2012	31 December 2011	1 January 2011
Guarantees received from goods and services suppliers			
USD	2,778,662	3,976,264	3,392,460
EURO	3,395,566	3,109,041	2,342,021
CHF	2,306	2,382	1,951
Other	--	11,452	--
Total	6,176,535	7,099,139	5,736,432

	31 December 2012	31 December 2011	1 January 2011
Assets Under Custody			
Contribution Fund of Mandatory Education of İMKB (*)	188,205,396	243,904,527	288,120,102
Special Fund Law No: 4487	143,434,097	134,259,468	125,709,362
Umbrella Insurance Advances	-	3,802	9,116
Total	331,639,493	378,167,797	413,838,580

(*) In accordance with the decision of İMKB's Board of Directors in 1997, İMKB made a contribution to 'Contribution to Continuous Education' amounting to TL 32,000,000. 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 followed under İMKB's assets and liabilities until 1999 and currently, it is followed under the off-balance sheet. As of 31 December 2012, principal amount of "Contribution Fund of Mandatory Education of İMKB" is TL 188,205,396.

(**) This special fund was created to meet investor obligations arising from the capital market activities of the stock houses that CMB cancelled their certificate of authority before 18 December 1999. However, due to the 3rd article of Capital Market Law numbered 6362 dated 30 December 2012, it is decided to transfer total assets, liabilities and the rights of this fund from Investors Protection Fund to Investor Compensation Center within 3 months. Due to the temporary 4th article of the same law, it is included that the rights and receivables of Investors Protection Fund are being transferred to Investor Compensation Center within six months from the date of publication of the law.

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12. EMPLOYEE BENEFITS

As at 31 December 2012, 31 December 2011 and 1 January 2011, the details of long term employee benefits are as follow:

	31 December 2012	31 December 2011	1 January 2011
Service bonus provisions	22,467,372	22,972,918	20,679,061
Severance indemnity	13,501,784	13,591,059	13,289,599
Total	35,969,156	36,563,977	33,968,660

The movements of current severance indemnity are as follow:

	2012	2011	2010
Opening balance of severance indemnity	13,591,059	13,289,599	11,310,535
Service cost	897,730	879,437	878,175
Interest cost	1,302,974	1,387,252	1,224,015
Payments during the period	(4,562,899)	(2,176,251)	(123,956)
Actuarial differences	2,272,920	211,022	830
Period-end severance indemnity	13,501,784	13,591,059	13,289,599

The movements of service bonus provisions are as follow:

	2012	2011	2010
Opening balance of service bonus provisions	22,972,918	20,679,061	17,187,802
Service cost	682,344	1,453,400	1,388,852
Interest cost	1,985,000	2,322,521	1,910,188
Payments during the period	(7,584,445)	(3,178,101)	(317,737)
Actuarial differences	(4,411,555)	1,696,037	509,956
Period-end service bonus provisions	22,467,372	22,972,918	20,679,061

Severance indemnity

In accordance with the existing social security legislation in Turkey and collective labor agreement, İMKB is required to make lump sum payments to employees whose employment is terminated due to retirement military obligation; death; and termination of contract by employers and/or by female employees in case of marriage. Severance indemnity provision is calculated by considering the whole liability assuming that all employees will be terminated. The amount payable consists of 45 days salary limited to a maximum of TL 3,034 (31 December 2011: TL 2,732 and 1 January 2011: 2,517 TL) ceiling for each year of service as of 31 December 2012.

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The provisions for employee severance indemnities are required to be calculated using actuarial method in compliance with the "IAS 19 – Employee Benefits". The major statistical assumptions used in the calculation of the total liability as at 31 December 2012, 31 December 2011 and 1 January 2011 are as follows:

	31 December 2012	31 December 2011	1 January 2011
Discount rate	2.38%	4.47%	3.91%
Expected rate of salary/limit increase	5.00%	5.10%	4.90%
Estimated employee turnover rate	1.05%	1.22%	1.59%

Service bonus provisions

In accordance with Article 49 of İMKB employee regulation, İMKB 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 İMKB Personnel regulation was ended as at 30 June 2012, and a list was prepared for each staff member employed with indefinite employment contract under İMKB by using a coefficient of seniority (seniority year is determined by applying 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.

As there is no funding requirement in Turkey, a liability is not funded. İMKB retains long-term government bonds in assets in relation to provisions provided for liabilities for long-term employee benefits of its personnel.

The provisions for service bonus are required to be calculated using actuarial method in compliance with the "IAS 19 – Employee Benefits". The major statistical assumptions used in the calculation of the total liability as at 31 December 2012, 31 December 2011 and 1 January 2011 are as follows:

	31 December 2012	31 December 2011	1 January 2011
Discount rate	2.38%	4.47%	3.91%
Expected rate of salary/limit increase	5.00%	5.10%	4.90%
Estimated employee turnover rate	0.53%	0.98%	1.42%

As of 31 December 2012, the calculations of provision for service bonus have been made on 431 personnel (31 December 2011: 495, 1 January 2011: 493).

The average age of personnel included in calculations is as follow:

	Male	Female
31 December 2012	43	40
31 December 2011	43	42
1 January 2011	44	42

As at 31 December 2011 and 1 January 2011, bonus provisions are calculated under actuarial assumptions. However, as at 31 December 2012 despite bonus provisions policy was abolished; cash value of amounts which are going to be transferred to individual pension system, are calculated. In the calculation CSO-80 table with male and female details has been used.

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As at 31 December 2012, 2011 and 1 January 2011, the details of short term employee benefits are as follow:

	31 December 2012	31 December 2011	1 January 2011
Vacation pay liability	8,106,623	9,197,199	9,551,178
Total	8,106,623	9,197,199	9,551,178

Vacation pay liability

In accordance with the Labor Law in Turkey, İMKB 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 pay liability are as follow:

	2012	2011	2010
Opening balance of vacation liability	9,197,199	9,551,178	8,349,222
Payments during the period	(2,183,475)	(494,310)	(88,368)
Current period provisions	1,092,899	140,331	1,290,324
Period-end vacation pay liability	8,106,623	9,197,199	9,551,178

13. OTHER ASSETS AND LIABILITIES

Other current assets

As at 31 December 2012, 31 December 2011 and 1 January 2011, the details of other current assets are as follows:

	31 December 2012	31 December 2011	1 January 2011
Advances given (*)	10,213,283	12,008,482	--
Goods and service purchase advances	822,134	21,640	755,781
Prepaid corporate tax	--	29,008	--
Deductible VAT	648	2,117	--
Total	11,036,065	12,061,247	755,781

(*) As at 31 December 2012, İMKB acquired Takasbank shares with a nominal value of TL 1,956,509 by paying TL 10,210,810 from total of 14 brokerage firms. However, as at 31 December 2012, the related amount was recognised in advances given account due to the shares acquired were not registered to Trade Registry and transfer of the shares have not been completed yet.

(*) As at 2011, İMKB acquired Takasbank shares with a nominal value of TL 2,406,509 by paying TL 12,008,482 from total of 3 brokerage firms. However, as at 31 December 2011, the related amount recognised in advances given account due to the shares acquired were not registered to Trade Registry and transfer of the shares have not been completed yet.

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Other non-current assets

As at 31 December 2012, 31 December 2011 and 1 January 2011, other non-current assets are as follows:

	31 December 2012	31 December 2011	1 January 2011
Prepaid expenses	23,871	2,277,119	2,102,760
Deposits and guarantees given	9,478	9,566	64,135
Total	33,349	2,286,685	2,166,895

Other current liabilities

As of 31 December 2012, 31 December 2011 and 1 January 2011, other currents liabilities are as follow:

	31 December 2012	31 December 2011	1 January 2011
Taxes and duties payable	3,072,508	3,842,519	2,436,926
Social security premium payables	3,354,472	1,896,195	1,728,704
VAT payable	468,432	457,862	669,984
Unearned income	108,572	47,925	86,412
Total	7,003,984	6,244,501	4,922,026

Other non-current liabilities

As of 31 December 2012 other non current liabilities consist of deposits and guarantees given amounting to TL 739,596 (31 December 2011: TL 481,722 and 1 January 2011: TL 256,665).

14. EQUITY

Capital

Stock exchanges are public institutions having legal bodies, which are authorised to regulate trading and establishment and announcement of prices of securities in accordance with the Stock Exchanges Decree Law published in the Official Gazette issued on 6 October 1983. Establishment of stock exchanges is subject to the Turkish Republic Ministry of Finance's permission upon CMB proposal. İMKB is a governmental institution having no share capital.

Restricted and other reserves

Restricted and other reserves comprise the retained earnings of equity accounted investees that are included in retained earnings in the accompanying financial statements.

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As at 31 December 2012, 31 December 2011 and 1 January 2011, the details of other reserves are as follows:

	31 December 2012	31 December 2011	1 January 2011
Extraordinary reserves	33,243,953	29,346,960	29,132,612
Statutory reserves	5,014,217	4,121,011	3,000,002
Other reserves	1,198,175	1,066,516	1,066,516
Total	39,456,345	34,534,487	33,199,130

For the year ended 31 December 2012, provision expenses amounting 21,203,848 TL (2011: 28,102,306 TL) booked by İMKB for the payments to Ministry of Finance of Turkey according to the article 78 of Law no. 5018 recognised in retained earnings under equity because of the transactions assessed as transaction arised between parties commonly controlled by Council of Ministers of Turkey.

In accordance with Capital Market Law No. 6362 which was issued in official Gazette dated 30 December 2012 and numbered 28514, İMKB transferred all lands, buildings and investment properties to the Capital Markets Board and Turkish Republic Undersecretariat of Treasury for free. The transfer loss arised from this transaction amounting 154,291,223 TL recognised in retained earnings under equity because of the transactions assessed as transaction arised between parties commonly controlled by Council of Ministers of Turkey.

15. REVENUE

For the years ended 31 December 2012, 2011 and 2010 the details of revenue are as follows:

	2012	2011	2010
Securities exchange fees	111,220,947	110,153,229	96,854,631
Securities registration fees	36,063,460	22,731,456	15,642,847
Securities listing fees	29,704,081	27,372,607	28,249,643
Data vending income	15,671,629	15,055,018	13,689,017
License income	8,429,303	8,865,633	5,864,140
Terminal fees	5,683,024	5,762,063	5,446,121
Information technologies sales income	3,472,307	3,739,740	3,916,581
Public disclosure platform income	521,017	--	--
Annual membership fees	513,940	239,250	221,850
Broker training fees	147,534	134,729	109,784
Overdue interest income	53,692	236,785	171,765
Share market default commission income	16,002	--	--
Other service income	123,917	42,383	535,635
Total	211,620,853	194,332,893	170,702,014

Cost of services

For the years ended 31 December 2012, 2011 and 2010, costs of services regarding the above mentioned revenue items could not be separated from expense items. Accordingly, cost items which were incurred in the current and previous period are presented under administrative expenses.

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16. GENERAL ADMINISTRATIVE EXPENSES

For the years ended 31 December 2012, 2011 and 2010 the details of general administrative expenses are as follows:

	2012	2011	2010
Employee wage and expenses	118,504,157	100,788,574	87,164,562
Depreciation and amortisation expenses	7,573,309	7,098,373	6,339,878
Outsourced benefit and services	5,526,289	7,447,305	5,707,051
Duties, taxes and levies	4,393,277	3,843,771	5,267,862
Communication expenses	2,513,571	2,829,405	1,968,215
Settlement fees	2,473,339	8,410,281	6,986,206
Social expenses	2,407,309	3,265,981	1,377,675
Electricity,water,natural gas expenses	2,387,079	2,685,107	2,419,040
Subcontractor expenses	2,346,335	1,967,703	1,506,102
Travel expenses	2,336,344	2,354,108	1,310,828
Promotion and advertising expenses	1,899,066	3,555,015	3,318,440
Education, culture and publication expenses	1,387,592	1,340,694	1,468,116
Rent expenses	1,084,212	796,388	584,247
Management and supervisory board expenses	1,033,938	684,634	614,292
Consultancy expenses	909,721	1,823,036	429,542
Lawsuits provisions	742,151	258,798	--
Material expenses	370,226	632,814	244,776
Economic entity expenses	14,400	12,064	10,800
Other expenses	2,541,106	1,845,302	1,796,921
Total	160,443,421	151,639,353	128,514,553

Personnel expenses

For the years ended 31 December 2012, 2011 and 2010, personnel expenses are as follows:

	2012	2011	2010
Salaries and wages	27,715,320	27,446,048	24,426,194
Other fringe benefits	22,338,864	10,092,548	8,651,537
Salary dependent additional payments	20,985,690	17,984,684	15,812,409
Other benefits	19,677,848	15,727,966	13,713,801
Social benefits	15,111,189	18,958,228	16,718,379
Social security employer's contribution expenses	7,357,345	5,998,639	5,235,771
Health care expenses	5,317,901	4,580,461	2,606,471
Total	118,504,157	100,788,574	87,164,562

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Expenses by nature

For the years ended 31 December 2012, 2011 and 2010, İMKB does not have research and development costs and marketing, selling and distribution costs. The details of general administrative expenses are presented above.

17. OTHER OPERATING INCOME / EXPENSES

Other operating expenses

For the years ended 31 December 2012, 2011 and 2010, other operating expenses are as follows:

Other operating expenses	2012	2011	2010
CMB share provision expenses (Note 11)	22,563,273	20,686,261	23,601,975
Withholding tax provision expenses (Note 11)	5,620,110	--	--
Other provision expenses (Note 11)	624,229	156,638	--
Provision expenses for doubtful receivables	54,266	61,981	338,378
Other expenses	906,332	3,744,426	1,941,049
Total	29,768,210	24,649,306	25,881,402

Other operating income

For the years ended 31 December 2012, 2011 and 2010, other operating income are as follows:

Other operating income	2012	2011	2010
Rental income	2,972,103	2,621,880	3,293,336
Income from Board of Director's and Board of Supervisor's salaries	94,183	3,088	41,962
Collections from doubtful receivables	32,531	16,888	45,215
Other previous year profits and income	26,280	34,743	2,086
Other extraordinary profits and income	4,277	172,953	486,012
Other income	154,543	258,373	598,846
Total	3,283,917	3,107,925	4,467,457

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18. FINANCE INCOME/ COSTS

As at 31 December 2012, 2011 and 2010 the details of finance income and costs as follows:

Finance income	2012	2011	2010
Interest income from time deposits	15,204,631	11,676,861	10,932,707
Interest income from guarantee account	9,735,882	9,778,592	7,925,639
Interest income from governments bonds	7,095,784	6,732,929	6,848,828
Dividend income	32,943	--	--
Foreign exchange gain, net	10,920	--	7,444
Other income	388,887	169,614	400,219
Total	32,469,047	28,357,996	26,114,837

Finance costs

For the year ended 31 December 2012 the finance costs amounting to TL 1,467 comprise commission expenses (2011: TL 227 commission expense, TL 8,237 foreign exchange loss, net; 2010: TL 527 commission expense).

19. TAX ASSETS AND LIABILITIES

There is a withholding tax on the dividends paid and is accrued only at the time of such payments. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions, are 15%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account.

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices in the fourth month following the accounting closing date of the related year. 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. Corporation tax rate is applied to the income after adding the non deductible expenses and deducting the tax exempt income (like income of the participations). There is no additional tax to be paid unless the profit is distributed.

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The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years which are 20%. Corporations give tax declarations and paid income taxes quarterly. Income tax declarations are given on the 14th and paid on the 17th day of the second following month of the each quarter. The prepaid taxes can be deducted from the annual corporate tax calculated for the whole year earnings. If there is a surplus after the deduction of the prepaid taxes, this surplus can be returned to the tax payer or the can be deducted from other tax payables to the tax office.

Since İMKB generates profit from its optional and service fees other than listing fees, all types of registration and securities exchange fees and membership fees, it is subject to corporate income tax in accordance with the decision made on 5 May 2008 by the Office of Revenue Administration.

İMKB has calculated and recognized corporate income tax by 20% (2011: 20%, 2010: 10%) on its 2012 revenue from its economic businesses in accordance with the decision made by the Turkish Republic Ministry of Finance.

As at 31 December 2012, 31 December 2011 and 1 January 2011, the details of current tax assets and liabilities are as follows:

	31 December 2012	31 December 2011	1 January 2011
Prepaid tax	2,095,239	2,129,285	1,878,428
Provision for corporate tax	(2,369,728)	(2,100,277)	(2,381,299)
Current tax assets/(taxes payable on income)	(274,489)	29,008	(502,871)

For the year ended 31 December 2012, 2011 and 2010 the details of tax expenses in profit or loss are as follows:

	2012	2011	2010
Corporate tax expense	2,369,728	2,100,277	2,381,299
Withholding tax expenses of dividends (*)	1,886,469	1,626,307	784,436
Deferred tax expense	(6,494,780)	63,624	305,025
Total tax (expense)/income	(2,238,583)	3,790,208	3,470,760

(*) With respect to Turkish Republic Ministry of Finance's opinion, İMKB calculates corporate tax by a rate of 20% only for the revenues generated from its economic businesses. Due to not being a fully obligated corporate taxpayer, İMKB pays stoppage tax for dividend revenues which are obtained through its equity-accounted investees.

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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 years ended 31 December 2012, 2011 and 2010:

	2012	Rate (%)
Profit before taxes	82,025,994	
Taxes on income per statutory tax rate	(16,405,199)	(20.00)
Non-deductible expenses	(2,149,683)	(2.62)
Tax exempt income (*)	42,331,472	51.61
Income not subject to tax (*)	(19,651,538)	(23.96)
Withholding tax expenses on dividends	(1,886,469)	(2.30)
Tax benefit	2,238,583	2.73
	2011	Rate (%)
Profit before taxes	65,060,466	
Taxes on income per statutory tax rate	(13,012,093)	(20.00)
Non-deductible expenses	(2,059,315)	(3.17)
Tax exempt income (*)	35,169,152	54.06
Income not subject to tax (*)	(22,271,645)	(34.23)
Withholding tax expenses on dividends	(1,616,307)	(2.49)
Tax expense	(3,790,208)	(5.83)
	2010	Rate (%)
Profit before taxes	61,092,518	
Taxes on income per statutory tax rate	(12,218,504)	(20.00)
Non-deductible expenses	(1,927,788)	(3.16)
Tax exempt income (*)	30,682,681	50.22
Income not subject to tax (*)	(19,222,713)	(31.46)
Withholding tax expenses on dividends	(784,436)	(1.28)
Tax expense	(3,470,760)	(5.68)

(*) Tax exempt income and income not subject to taxes comprise income except the income and expenses earned through İMKB's economic business.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities accounts comprises depreciation and amortisation expenses, employee benefits and lawsuits provisions caused to temporary differences in İMKB's economic businesses. As at 31 December 2011, in the deferred tax calculation, the weight of expenses from economic business in total expenses, which is 18.43% (2011: 17.28%) was taken into consideration together with the corporate tax rate of 20%.

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The Capital Market Law No. 6362 in which İMKB's operations are legally subject to legislation, was approved on 6 December 2012 and promulgated in Official Gazette no. 28513 dated 30 December 2012. As details mentioned within the context of this Law article.138, Borsa İstanbul has been incorporated, and got the operation permission with the registry as of 3 April 2012. Therefore, İMKB's profit will be subject to corporate tax that is calculated from all income and expenses rather than income from economic businesses for the years ended after 31 December 2012. As at 31 December 2012, this change has been taken into consideration for the calculation of deferred taxes.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

If transactions and other occurrences are accounted at profit or loss; current year corporate tax, deferred tax income/expense which are related to these transactions and other occurrences are also accounted at profit or loss. If transactions and other occurrences are directly accounted at equity balances; tax effects which are related to these transactions and other occurrences are also accounted at equity accounts. As at 31 December 2012, 2011 and 1 January 2011 assets and liabilities bearing deferred tax assets and liabilities are as follows:

	31 December 2012	
	Temporary differences	Deferred tax
Depreciation and amortisation for property and equipment and intangible assets	(1,816,852)	(363,370)
Provision for severance indemnity	(13,501,784)	2,700,357
Provision for service bonuses	(22,467,372)	4,493,474
Provision for unused vacation pay	(8,106,623)	1,621,325
Lawsuit provision	(820,742)	164,148
Advances given	(194,655)	38,931
Deferred tax assets, net		8,654,865

	31 December 2011	
	Temporary differences	Deferred tax
Depreciation and amortisation for property and equipment and intangible assets	12,597,649	464,229
Provision for severance indemnity	(13,591,059)	500,836
Provision for service bonuses	(22,972,918)	846,562
Provision for unused vacation pay	(9,197,199)	338,921
Lawsuit provision	(258,798)	9,537
Deferred tax assets, net		2,160,085

	1 January 2011	
	Temporary differences	Deferred tax
Depreciation and amortisation for property and equipment and intangible assets	15,265,045	577,444
Provision for severance indemnity	(13,289,599)	502,718
Provision for service bonuses	(20,679,061)	782,246
Provision for unused vacation pay	(9,551,178)	361,301
Deferred tax assets, net		2,223,709

There is no unrecognised deferred tax assets or liabilities.

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

	1 January 2011	Recognised in profit or loss	31 December 2011	Recognised in profit or loss	31 December 2012
Depreciation and amortisation for property and equipment and intangible assets	577,444	(113,215)	464,229	(827,599)	(363,370)
Provision for severance indemnity	502,718	(1,882)	500,836	2,199,521	2,700,357
Provision for service bonuses	782,246	64,316	846,562	3,646,912	4,493,474
Provision for unused vacation pay	361,301	(22,380)	338,921	1,282,404	1,621,325
Lawsuit provision	--	9,537	9,537	154,611	164,148
Advances given	--	--	--	38,931	38,931
Toplam	2,223,709	(63,624)	2,160,085	6,494,780	8,654,865

20. RELATED PARTIES

As at 31 December 2012, 31 December 2011 and 1 January 2011, the details of short term trade receivables from related parties are as follows:

	31 December 2012	31 December 2011	1 January 2011
VOB	1,133,512	1,009,736	1,180,775
CMB	528,171	476,290	437,485
Total	1,661,683	1,486,026	1,618,260

As at 31 December 2012, 31 December 2011 and 1 January 2011, the details of short term other receivables from related parties are as follows:

	31 December 2012	31 December 2011	1 January 2011
Advances to personnel	153,544	18,816	76,092
Total	153,544	18,816	76,092

As at 31 December 2012, 31 December 2011 and 1 January 2011, the details of long term other receivables from related parties are as follows:

	31 December 2012	31 December 2011	1 January 2011
Takasbank (*)	133,918,045	126,548,137	120,446,251
Total	133,918,045	126,548,137	120,446,251

(*) The balance consists of İMKB's receivables from guarantee account managed by Takasbank.

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As at 31 December 2012, 31 December 2011 and 1 January 2011, the details of short term other payables to related parties are as follows:

	31 December 2012	31 December 2011	1 January 2011
Due to personnel	530,812	191,274	312,533
Total	530,812	191,274	312,533

Income from related parties

For the years ended 31 December 2012, 31 December 2011 and 2010, the details of income from and charges by related parties are as follows:

	2012	2011	2010
Rental Income			
CMB	2,147,507	1,905,158	1,749,939
Total	2,147,507	1,905,158	1,749,939
Dividend Income			
Sarajevo Stock Exchange	20,735	--	--
Baku Stock Exchange	12,208	--	--
Total	32,943	--	--
Licence Income			
VOB	7,522,104	8,041,324	5,211,067
Total	7,522,104	8,041,324	5,211,067
Income from Sale of Information Technology			
VOB	3,472,307	3,739,740	3,916,581
Total	3,472,307	3,739,740	3,916,581
Charges by Related Parties			
Commission expenses (Management of Guarantee Account)			
Takasbank (*)	2,473,339	3,730,569	2,495,188
Total	2,473,339	3,730,569	2,495,188

(*) According to Article 34 of İMKB regulation, guarantee account is used to provide timely clearing transactions and allocate all receivables within the shortest time possible when there is a default in meeting the liabilities of exchange market transactions. The related account is managed by Takasbank; therefore, İMKB pays commission for the related account.

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	2012	2011	2010
Commission Expenses (Fees of Exchange)			
Takasbank (**)	--	5,082,781	4,491,018
Total	--	5,082,781	4,491,018

(**) Clearing and settlement fees are determined by the Board of Stock Exchange and become effective upon the approval of CMB in accordance with Article 8 of İMKB Settlement and Custody Centers' regulation. If clearing services are undertaken by another company or a financial institution, the related portion of the fee can be transferred to the related financial institution or the company that performs clearing transactions in accordance with the decision of Board of Stock Exchange. Until 30 June 2011, upon the decision of the Board of Stock Exchange and CMB's approval, TL 389,976 + BİTT is calculated and paid for the monthly clearing transaction fee in 2011. For the period between 1 July 2011 to 31 December 2011, clearing transaction fee is calculated on the ratio of exchange fees collected by İMKB including BİTT and paid to Takasbank.

In İMKB's Board of Directors meeting dated 30 September 2011 and numbered 1434, in accordance with the Article 8 of İMKB Settlement and Custody Centers' regulation; with the intention of separating service costs, it was agreed on separating stock exchange fees included in settlement service which is provided from members in current implementation. Thus, it was decided to specify tariffs of stock exchange fees and settlement fees separately. Per the decision taken in CMB meeting dated 8 December 2011 and numbered 41, effective from 1 January 2012 settlement fees are not going to be paid to Takasbank.

	2012	2011	2010
CMB Share Expenses			
CMB (***)	22,563,273	20,686,261	23,601,975
Total	22,563,273	20,686,261	23,601,975

(***) 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 at 31 December 2012, İMKB has provided a provision amounting to TL 22,563,273 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.

Key Management Personnel Compensation

For the year ended 31 December 2012, salaries and similar benefits provided to the directors and other members of key management are amounting to TL 3,067,385 (2011: TL 2,660,589; 2010: TL 2,403,277).

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21. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS

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

- credit risk,
- liquidity risk,
- market risk,

Credit risk

İMKB'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 İMKB management based on prior experience and current economic environment.

Market risk

İMKB'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 İMKB will encounter difficulty in meeting the obligations as associated with its financial liabilities that are settled by delivering cash or another financial asset. İMKB generally generates funds by liquidating its short-term financial instruments such as collecting its receivables. İMKB 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.

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21.1. Credit risk

As at 31 December 2012, 31 December 2011 and 1 January 2011, credit risk exposure of İMKB in terms of financial instruments are as follows:

	Receivables					Total	
	Trade receivables		Other receivables		Financial		
31 December 2012	Related party	Other party	Related party	Other party	Cash at banks and investment funds	investments (*)	Other
Exposure to maximum credit risk as at reporting date							
(A+B+C+D+E)	1,661,683	10,440,415	153,544	5,694	204,830,757	75,244,637	-
- Guaranteed part of maximum credit risk with collaterals etc.	347,607	5,828,928	-	-	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	1,661,683	10,440,415	153,544	5,694	204,830,757	75,244,637	-
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	-	-	-	-	-	-	-
- Guaranteed part of risk with collaterals	-	-	-	-	-	-	-
D. Net carrying value of impaired assets	-	1,811,468	-	174,539	-	-	1,986,007
- Overdue (Gross book value)	-	(1,811,468)	-	(174,539)	-	-	(1,986,007)
- Impairment	-	-	-	-	-	-	-
- 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	-	-	-	-	-	-	-

There are not any passed due but not impaired assets.

(*) Investments in equity participations are not included.

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31 December 2011	Receivables						Total
	Trade receivables		Other receivables		Cash at banks and investment funds		
	Related party	Other party	Related party	Other party	Investments (*)	Other	
Exposure to maximum credit risk as at reporting date							
(A+B+C+D+E)	1,486,026	13,642,194	18,816	20,872	138,041,798	86,274,065	239,483,771
- Guaranteed part of maximum credit risk with collaterals etc.	368,336	6,730,803	-	-	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	1,486,026	13,642,194	18,816	20,872	138,041,798	86,274,065	239,483,771
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	-	-	-	-	-	-	-
- Guaranteed part of risk with collaterals	-	-	-	-	-	-	-
D. Net carrying value of impaired assets	-	1,789,733	-	174,539	-	-	1,964,272
- Overdue (gross book value)	-	(1,789,733)	-	(174,539)	-	-	(1,964,272)
- Impairment	-	-	-	-	-	-	-
- 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	-	-	-	-	-	-	-

There are not any passed due but not impaired assets.

(*) Investments in equity participations are not included.

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1 January 2011	Receivables						Total
	Trade receivables			Other receivables			
	Related party	Other party	Related party	Other party	Cash at banks and investment funds	Financial investments (*)	Other
Exposure to maximum credit risk as at reporting date							
(A+B+C+D+E)	1,618,260	11,926,572	76,092	16,314	127,393,286	78,936,886	-
- Guaranteed part of maximum credit risk with collaterals etc.	301,470	5,434,962	-	-	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	1,618,260	11,926,572	76,092	16,314	127,393,286	78,936,886	-
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	-	-	-	-	-	-	-
- Guaranteed part of risk with collaterals	-	-	-	-	-	-	-
D. Net carrying value of impaired assets	-	-	-	-	-	-	-
- Overdue (Gross book value)	-	1,744,640	-	174,774	-	-	1,919,414
- Impairment	-	(1,744,640)	-	(174,774)	-	-	(1,919,414)
- 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	-	-	-	-	-	-	-

There are not any passed due but not impaired assets.

(*) Investments in equity participations are not included.

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21.2. Liquidity risk

Liquidity risk is İMKB'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. İMKB 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 at 31 December 2012, 31 December 2011 and 1 January 2011:

31 December 2012	Carrying value	Contractual cash flows	Up to 1 month	1-3 months	3-12 months	1-5 years
<i>Current liabilities</i>						
Trade payables	1,795,852	1,795,852	1,795,852	--	--	--
Other payables to related parties	530,812	530,812	530,812	--	--	--
Other current liabilities	7,003,984	7,003,984	--	7,003,984	--	--
<i>Non-current liabilities</i>						
Other non-current liabilities	739,597	739,597	--	--	--	739,597
Total	10,070,245	10,070,245	2,326,664	7,003,984	--	739,597
31 December 2011	Carrying value	Contractual cash flows	Up to 1 month	1-3 months	3-12 months	1-5 years
<i>Current liabilities</i>						
Trade payables	2,193,428	2,193,428	2,193,428	--	--	--
Other payables to related parties	191,274	191,274	191,274	--	--	--
Other current liabilities	6,244,501	6,244,501	--	6,244,501	--	--
<i>Non-current liabilities</i>						
Other non-current liabilities	481,722	481,722	--	--	--	481,722
Total	9,110,925	9,110,925	2,384,702	6,244,501	--	481,722
1 January 2011	Carrying value	Contractual cash flows	Up to 1 month	1-3 months	3-12 months	1-5 years
<i>Current liabilities</i>						
Trade payables	3,609,158	3,609,158	3,609,158	--	--	--
Other payables to related parties	312,533	312,533	312,533	--	--	--
Other current liabilities	4,922,026	4,922,026	--	4,922,026	--	--
<i>Non-current liabilities</i>						
Other non-current liabilities	256,665	256,665	--	--	--	256,665
Total	9,100,382	9,100,382	3,921,691	4,922,026	--	256,665

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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 İMKB's income or the value of its holdings of financial instruments. İMKB manage market risk by balancing the assets and liabilities exposed to the interest rate change risk.

Foreign currency risk

İMKB 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 İMKB for translation of the transactions in foreign currencies as at 31 December 2012, 31 December 2011 and 1 January 2011 are as follow:

	USD	Euro	CHF	GBP
31 December 2012	1.7826	2.3517	1.9430	2.8708
31 December 2011	1.8889	2.4438	2.0062	2.9170
1 January 2011	1.5460	2.0491	1.6438	2.3886

The table below summarizes the foreign currency position risk of İMKB. As of 31 December 2012, 2011 and 1 January 2011 carrying value of assets and liabilities held by İMKB in foreign currencies (in TL equivalent) are as follows:

31 December 2012

ASSETS				
	Currency	Amount	Exchange rate (TL)	Total amount (TL)
Banks	EURO	10,000	2.3517	23,517
Banks	USD	20,288	1.7826	36,165
Banks	GBP	234	2.8708	672
Advances given	EURO	342,228	2.3517	804,818
				865,172
LIABILITIES				
	Currency	Amount	Exchange rate (TL)	Total amount (TL)
Trade payables	GBP	386	2.8708	1,108
Trade payables	USD	55,859	1.7826	99,574
Deposits and guarantees received	USD	59,982	1.7826	106,924
Deposits and guarantees received	EURO	72,790	2.3517	171,180
Deposits and guarantees received	CHF	1,187	1.9430	2,306
				381,092
Assets				865,172
Liabilities				(381,092)
Net Foreign Currency Position				484,080

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31 December 2011

ASSETS

	Currency	Amount	Exchange rate (TL)	Total amount (TL)
Banks	EURO	1,095	2.4438	2,676
Banks	USD	2,013	1.8889	3,802
Deposits and guarantees given	USD	834	1.8889	1,575
Advances given	EURO	4,714	2.4438	11,520
				19,573

LIABILITIES

	Currency	Amount	Exchange rate (TL)	Total amount (TL)
Trade payables	EURO	500	2.4438	1,222
Deposits and guarantees received	USD	56,786	1.8889	107,263
Deposits and guarantees received	EURO	55,048	2.4438	134,526
Deposits and guarantees received	CHF	102	2.0062	205
				243,216

Assets

19,573

Liabilities

(243,216)

Net Foreign Currency Position

(223,643)

1 January 2011

ASSETS

	Currency	Amount	Exchange rate (TL)	Total amount (TL)
Banks	EURO	31,577	2.0491	64,704
Banks	USD	5,084	1.5460	7,860
Deposits and guarantees given	USD	834	1.5460	1,289
Advances given	EURO	625	2.0491	1,282
				75,135

LIABILITIES

	Currency	Amount	Exchange rate (TL)	Total amount (TL)
Trade payables	EURO	750,708	2.0491	1,538,276
Trade payables	USD	23,585	1.5460	36,462
Trade payables	GBP	2,565	2.3886	6,127
Deposits and guarantees received	USD	60,309	1.5460	93,238
Deposits and guarantees received	EURO	12,709	2.0491	26,042
Deposits and guarantees received	CHF	102	1.6438	168
Advances received	USD	12,090	1.5460	18,691
Advances received	EURO	2,413	2.0491	4,944
				1,723,948

Assets

75,135

Liabilities

(1,723,948)

Net Foreign Currency Position

(1,648,813)

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Exposure to foreign currency risk

A strengthening/weakening of the TL by 10% against the other currencies below would have increased/ (decreased) the equity and profit/loss (excluding the tax effect) for the years ended 31 December 2012, 31 December 2011 and 31 December 2010:

2012	Profit / (Loss)		Equity(*)	
	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	(17,033)	17,033	(17,033)	17,033
2-Hedged portion of USD amounts(-)	-	-	-	-
3-Net effect of USD (1+2)	(17,033)	17,033	(17,033)	17,033
Increase/(decrease) 10% of EURO parity				
4-EURO net asset / liability	65,716	(65,716)	65,716	(65,716)
5-Hedged portion of EURO amounts(-)	-	-	-	-
6-Net effect of EURO (4+5)	65,716	(65,716)	65,716	(65,716)
Increase/(decrease) 10% of other parities				
7-Other foreign currency net asset / liability	(275)	275	(275)	275
8-Hedged portion of other foreign currency amounts(-)	-	-	-	-
9-Net effect of other foreign currencies (7+8)	(275)	275	(275)	275
Total (3+6+9)	48,408	(48,408)	48,408	(48,408)

2011	Profit / (Loss)		Equity(*)	
	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	(10,189)	10,189	(10,189)	10,189
2-Hedged portion of USD amounts(-)	-	-	-	-
3-Net effect of USD (1+2)	(10,189)	10,189	(10,189)	10,189
Increase/(decrease) 10% of EURO parity				
4-EURO net asset / liability	(12,155)	12,155	(12,155)	12,155
5-Hedged portion of EURO amounts(-)	-	-	-	-
6-Net effect of EURO (4+5)	(12,155)	12,155	(12,155)	12,155
Increase/(decrease) 10% of other parities				
7-Other foreign currency net asset / liability	(21)	21	(21)	21
8-Hedged portion of other foreign currency amounts(-)	-	-	-	-
9-Net effect of other foreign currencies (7+8)	(21)	21	(21)	21
Total (3+6+9)	(22,365)	22,365	(22,365)	22,365

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2010	Profit / (Loss)		Equity(*)	
	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	(13,924)	13,924	(13,924)	13,924
2-Hedged portion of US Dollar amounts(-)	-	-	-	-
3-Net effect of USD (1+2)	(13,924)	13,924	(13,924)	13,924
Increase/(decrease) 10% of EURO parity				
4-EURO net asset / liability	(150,328)	150,328	(150,328)	150,328
5-Hedged portion of EURO amounts(-)	-	-	-	-
6-Net effect of EURO (4+5)	(150,328)	150,328	(150,328)	150,328
Increase/(decrease) 10% of other parities				
7-Other foreign currency net asset / liability	(630)	630	(630)	630
8-Hedged portion of other foreign currency amounts(-)	-	-	-	-
9-Net effect of other foreign currencies (7+8)	(630)	630	(630)	630
Total (3+6+9)	(164,882)	164,882	(164,882)	164,882

(*) Equity effect includes profit or loss effect.

Interest rate risk

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

İMKB's interest rate sensitive financial instruments' allocation on 31 December 2012, 31 December 2011 and 1 January 2011 are presented below:

	31 December 2012	31 December 2011	1 January 2011
Financial instruments with fixed interest rate			
Financial assets			
Time deposits	204,645,132	137,661,181	127,069,563
Financial investments – Government bonds	75,244,637	86,274,065	78,936,886
Other receivables from related parties – Takasbank guarantee account	133,918,045	126,548,137	120,446,251

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Interest sensitivity analysis of assets:

İMKB'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 at 31 December 2012, 31 December 2011 and 1 January 2011, based on the analysis calculated by İMKB, if the interest rate for TL 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 and the effect on other comprehensive income are as follows:

	Equity (*)	
	100 bp increase	100 bp decrease
31 December 2012	(214,786)	217,481
31 December 2011	(575,124)	586,837
1 January 2011	(649,951)	662,158

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 infrastructure. Operational risk that summarises the risks a company or firm undertakes when it attempts to operate within a given field or industry.

İMKB manages its operational risks to avoid financial losses. In this respect, İMKB 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.

22. 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.

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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.

Non-current receivables from related parties comprise of Takasbank guarantee account receivables. The fair value and carrying amount are close to each other for these receivables because interest accrual is calculated at each reporting period for the outstanding balance.

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.

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).

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

31 December 2012	Level 1	Level 2	Level 3	Total
<i>Cash and cash equivalents</i>				
- Investment funds	124,887	--	--	124,887
<i>Financial investments</i>				
- Government bonds	75,244,637	--	--	75,244,637
Total financial assets	75,369,524	--	--	75,369,524
31 December 2011	Level 1	Level 2	Level 3	Total
<i>Cash and cash equivalents</i>				
- Investment funds	377,584	--	--	377,584
<i>Financial investments</i>				
- Government bonds	86,274,065	--	--	86,274,065
Total financial assets	86,651,649	--	--	86,651,649
1 January 2011	Level 1	Level 2	Level 3	Total
<i>Cash and cash equivalents</i>				
- Investment funds	234,877	--	--	234,877
<i>Financial investments</i>				
- Government bonds	78,936,886	--	--	78,936,886
Total financial assets	79,171,763	--	--	79,171,763

23. SUBSEQUENT EVENTS

As at 31 December 2012, İMKB acquired Takasbank shares with a nominal value of TL 1,856,509 by paying TL 10,210,810 from total of 14 brokerage firms. However, as of the year end, advances given were not registered in the Trade Registry since the transfer of shares has been completed yet.

As at 31 December 2012, one of the ongoing lawsuits filed against İMKB at İstanbul 5. Labour Court resulted against İMKB by the approval of Court of Appeal at 18 January 2013. Court case debt has been cleared by depositing TL 180,207 to the account of Court Bailiff. In the current year financial statements, İMKB made a provision against claim for related amount.

The capital markets have been combined under same framework with the incorporation of Borsa İstanbul, which is registered on 3 April 2012 based on the approval of the related Minister. In this respect, Borsa İstanbul is a legal entity according to the Capital Market Law No. 6362.

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24. EXPLANATION OF TRANSITION TO IFRS

As stated in note 2.1.2, these are İMKB's first financial statements prepared in accordance with IFRSs.

The accounting policies set out in note 2.3 have been applied in preparing the comparative financial statements as at and for the year ended 31 December 2012 and 2011, and in the preparation of an opening IFRS statement of financial position at 1 January 2011 (İMKB's date of transition).

As at 1 January 2011, while preparing its opening IFRS statement of financial position, İMKB has adjusted financial statements prepared in accordance with the general accepted accounting standards ("GAAP"), amended with regards to International Financial Reporting Standards ("IFRS"). An explanation of how the transition from previous GAAP to IFRSs has affected İMKB's financial position, financial performance and cash flows is set out in the following tables and notes that accompany the tables.

Reconciliation of assets

	Effects of		Effects of		IFRSs	Previous GAAP	of transition to IFRSs	IFRSs
	Previous GAAP	transition to IFRSs	transition to IFRSs	31 December 2011				
		1 January 2011		31 December 2011				
Cash and cash equivalents	127,393,286	--	127,393,286	138,041,798	--	138,041,798	--	138,041,798
Trade receivables	13,544,832	--	13,544,832	15,128,220	--	15,128,220	--	15,128,220
Other receivables	92,406	--	92,406	39,688	--	39,688	--	39,688
Other current assets	755,781	--	755,781	52,765	12,008,482	52,765	12,008,482	12,061,247
Current assets	141,786,305	--	141,786,305	153,262,471	12,008,482	153,262,471	12,008,482	165,270,953
Other receivables from related parties	120,446,251	--	120,446,251	126,548,137	--	126,548,137	--	126,548,137
Investments in equity-accounted investees	--	119,848,969	119,848,969	--	124,566,317	--	124,566,317	124,566,317
Other financial investments	120,615,674	(41,522,178)	79,093,496	140,323,889	(53,530,659)	140,323,889	(53,530,659)	86,793,230
Investment properties	--	59,463,546	59,463,546	--	58,060,350	--	58,060,350	58,060,350
Property and equipment	121,777,915	(14,050,211)	107,727,704	119,902,081	(9,894,016)	119,902,081	(9,894,016)	110,008,065
Intangible assets	616,801	292,625	909,426	710,602	208,067	710,602	208,067	918,669
Deferred tax assets	--	2,223,709	2,223,709	--	2,160,085	--	2,160,085	2,160,085
Other non-current assets	2,166,895	--	2,166,895	2,286,685	--	2,286,685	--	2,286,685
Non-current assets	365,623,536	126,256,460	491,879,996	389,771,394	121,570,144	389,771,394	121,570,144	511,341,538
Total assets	507,409,841	126,256,460	633,666,301	543,033,865	133,578,626	543,033,865	133,578,626	676,612,491

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Reconciliation of liabilities and equity

	Footnotes	Effects of		Effects of	
		Previous GAAP	transition to IFRSs	IFRSs	transition to IFRSs
			1 January 2011		31 December 2011
Trade payables		3,609,158	--	3,609,158	--
Other due to related parties		312,533	--	312,533	--
Provisions	f	21,580,829	--	21,580,829	258,798
Other short term liabilities		4,922,026	--	4,922,026	--
Income taxes payable		502,871	--	502,871	--
Employee benefits	d	--	9,551,178	9,551,178	9,197,199
Short term liabilities		30,927,417	9,551,178	40,478,595	9,455,997
Employee benefits	d	78,555,363	(44,586,703)	33,968,660	(46,439,748)
Other long term liabilities		256,665	--	256,665	--
Long term liabilities		78,812,028	(44,586,703)	34,225,325	(46,439,748)
Paid-in capital		--	--	--	--
Translation reserve – Equity accounted investees	a	--	(84,158)	(84,158)	(92,251)
Fair value reserve	a	--	1,064,021	1,064,021	(1,490,720)
Retain earnings	ae	351,383,302	148,367,408	499,750,710	160,312,122
Net profit for the period		46,287,094	11,944,714	58,231,808	11,833,226
Equity		397,670,396	161,291,985	558,962,381	170,562,377
Total equity and liabilities		507,409,841	126,256,460	633,666,301	133,578,626
				543,033,865	676,612,491
				40,543,296	49,999,293
				83,003,725	36,563,977
				481,722	481,722
				83,485,447	370,456,999
				--	--
				--	--
				--	(92,251)
				--	(1,490,720)
				369,568,090	529,880,212
				49,437,032	612,702,58
				419,005,122	589,567,499

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Reconciliation of comprehensive income statement

	Effects of		Effects of		Effects of
	Previous GAAP	transition to IFRSs	Previous GAAP	transition to IFRSs	
Footnotes	2010	2010	2011	2011	2011
Continuing operations					
Revenue	170,702,014	--	170,702,014	--	194,332,893
Gross profit	170,702,014	--	170,702,014	--	194,332,893
General administrative expenses	(131,171,164)	2,656,611	(128,514,553)	2,307,681	(151,639,353)
Other operating income	8,912,594	(4,445,137)	4,467,457	(9,215,119)	3,107,925
Other operating expenses	(25,881,402)	--	(25,881,402)	2,308,986	(24,649,306)
Operating profit	22,562,042	(1,788,526)	20,773,516	(4,598,452)	21,152,159
Share of profit of equity-accounted investees	--	14,204,692	14,204,692	15,558,775	15,558,775
Finance income	26,106,878	7,959	26,114,837	2,571,071	28,357,996
Finance costs	(527)	--	(527)	(8,237)	(8,464)
Profit before income tax from continuing operations	48,668,393	12,424,125	61,092,518	13,523,157	65,060,466
Continuing operations tax income/(expense)					
-Current tax expense	(2,381,299)	(784,436)	(3,165,735)	(1,626,307)	(3,726,584)
-Deferred tax benefit/(expense)	--	305,025	305,025	(63,624)	(63,624)
Profit for the period from continuing operations	46,287,094	11,944,714	58,231,808	11,833,226	61,270,258
Discontinued operations					
Profit for the period from discontinued operations, net of tax	--	--	--	--	--
Profit for the period	46,287,094	11,944,714	58,231,808	11,833,226	61,270,258
Other comprehensive income					
Translation reserve	--	1,546	1,546	(8,093)	(8,093)
Change in fair value reserve of available-for-sale assets	--	(7,959)	(7,959)	(2,554,741)	(2,554,741)
Other comprehensive income, net of tax	--	(6,413)	(6,413)	(2,562,834)	(2,562,834)
Total comprehensive income	46,287,094	11,938,301	58,225,395	9,270,392	58,707,424

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Footnotes to reconciliations

(a) While İMKB recognising its investments in equity participants at cost value, after transition to IFRS, financial investments, which are significantly influenced, subjected to inflation adjustment and then accounted using equity method. The impact arising from the change is summarised as follows:

	Investments in equity-accounted investees	
	1 January 2011	31 December 2011
<i>Previous GAAP</i>	--	--
Reclassification of Takasbank, VOB and MKK cost values to investments in equity-accounted investees account	41,678,788	54,049,824
Takasbank – inflation adjustment	13,038,157	13,038,157
Takasbank – accounting according to equity method	45,971,096	49,175,212
VOB – inflation adjustment	331,887	331,887
VOB – accounting according to equity method	6,872,160	7,887,791
MKK – inflation adjustment	393,125	393,125
MKK – accounting according to equity method	11,446,047	11,946,482
Reclassification of non registered share purchase as at 2011 in advances	--	(12,008,482)
Reclassification of investments in equity participations, Baku Stock Exchange and SPK Lisanslama, Sicil ve Eğitim Kuruluşu A.Ş. to other financial investments	(156,610)	(519,165)
Kyrgyzstan Stock Exchange – inflation adjustment	326,776	326,776
Kyrgyzstan Stock Exchange – accounting according to equity method	(52,457)	(55,290)
IFRS balance	119,848,969	124,566,317

	Other financial investments	
	1 January 2011	31 December 2011
<i>Previous GAAP</i>	120,615,674	140,323,889
Reclassification of Takasbank, VOB and MKK cost values to investments in equity-accounted investees account	(41,678,788)	(54,049,824)
Reclassification of investments in equity participations, Baku Stock Exchange and C SPK Lisanslama, Sicil ve Eğitim Kuruluşu A.Ş. in other financial investments	156,610	519,165
IFRS balance	79,093,496	86,793,230

	Translation reserve	
	1 January 2011	31 December 2011
<i>Previous GAAP</i>	--	--
Equity accounted Kyrgyzstan Stock Exchange translation differences	(84,158)	(92,251)
IFRS balance	(84,158)	(92,251)

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	Footnotes to reconciliations	
	Current tax expense	
	2010	2011
<i>Previous GAAP</i>	(2,381,299)	(2,100,277)
Withholding tax paid for dividend revenues from equity-accounted investees (Note 19)	(784,436)	(1,626,307)
IFRS balance	(3,165,735)	(3,726,584)

	Income from equity accounted investees	
	2010	2011
<i>Previous GAAP</i>	--	--
Share profit of equity accounted investee - Takasbank	8,257,421	10,350,324
Share profit of equity accounted investee - VOB	2,014,853	1,410,849
Share profit of equity accounted investee - MKK	3,935,752	3,800,435
Share of loss of equity accounted investee - Kryrgyzstan Stock Exchange	(3,334)	(2,833)
IFRS balance	14,204,692	15,558,775

(b) While İMKB was not applying inflation adjustments for property, equipment and intangible assets, after transition to IFRS, İMKB has began to apply inflation accounting for the period under hyperinflationary and recalculated depreciation and amortisations accordingly. At the same time, İMKB was reclassified rental income providing properties from properties held for own use to investment properties.

	Investment properties	
	1 January 2011	31 December 2011
<i>Previous GAAP</i>	--	--
Reclassification of investment properties	70,159,781	70,159,781
Depreciation adjustment of investment properties	(10,696,235)	(12,099,431)
IFRS balance	59,463,546	58,060,350

	Property and equipment	
	1 January 2011	31 December 2011
<i>Previous GAAP</i>	121,777,915	119,902,081
Inflation adjustment of property and equipment	60,971,005	60,971,005
Reclassification of investment properties	(70,159,781)	(70,159,781)
Depreciation adjustment of property and equipment	(15,557,670)	(12,804,671)
Depreciation adjustment of investment properties	10,696,235	12,099,431
IFRS balance	107,727,704	110,008,065

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	Intangible assets	
	1 January 2011	31 December 2011
<i>Previous GAAP</i>	616,801	710,602
Depreciation adjustment of intangible assets	292,625	208,067
IFRS balance	909,426	918,669

Footnotes to reconciliations

(c) While İMKB was not calculating deferred taxes for temporary differences arising from tax regulations in previous reporting standards, in accordance with IFRS, İMKB has begun to calculate and recognise deferred taxes for temporary differences.

	Deferred tax assets	
	1 January 2011	31 December 2011
<i>Previous GAAP</i>	--	--
Deferred tax on employee rights	1,646,264	1,686,319
Deferred tax on depreciation differences	577,445	464,229
Deferred tax on lawsuits provisions	--	9,537
IFRS balance	2,223,709	2,160,085

	Deferred tax benefit/(expense)	
	2010	2011
<i>Previous GAAP</i>	--	--
Deferred tax on employee benefits	252,398	40,055
Deferred tax on depreciation differences	52,627	(113,216)
Deferred tax on lawsuits provisions	--	9,537
IFRS balance	305,025	(63,624)

(d) While İMKB recognising provisions for employee benefits without using actuarial assumptions in previous GAAP, in accordance with IFRS, İMKB has begun to recognise provisions for employee benefits using actuarial assumptions on a discounted basis.

	Provisions for short term employee benefits	
	1 January 2011	31 December 2011
<i>Previous GAAP</i>	--	--
Reclassification of unused vacation pay provisions as short term	9,551,178	9,197,199
IFRS balance	9,551,178	9,197,199

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	Provisions for long term employee benefits	
	1 January 2011	31 December 2011
<i>Previous GAAP</i>	78,555,363	83,003,725
Reversal of employee termination benefit provision	(11,137,125)	(11,695,900)
Adjustment of severance indemnity and service bonus provisions according to IAS 19	(23,898,400)	(25,546,649)
Reclassification of unused vacation pay provisions as short term	(9,551,178)	(9,197,199)
IFRS balance	33,968,660	36,563,977

Footnotes to reconciliation

(e) The reconciliation of retained earnings arising from adjustments given to the previous years financial statements due to İMKB's IFRS transition are presented below:

	Retained earnings	
	1 January 2011	31 December 2011
<i>Previous GAAP</i>	351,383,302	369,568,090
Inflation adjustment of property, equipment and intangible assets	60,971,005	60,971,005
Depreciation adjustment of property, equipment and intangible assets	(13,873,838)	(15,265,045)
Reversal of employee termination benefit provision	9,412,235	11,137,125
Deferred tax adjustment for employee benefit provision	1,393,866	1,646,264
Deferred tax adjustment for depreciation differences	524,818	577,445
Correction of severance indemnity and service bonus provisions according to IAS 19	21,575,472	23,898,400
Inflation adjustment of equity accounted investees	14,089,945	14,089,945
Retained earnings of equity accounted investees	14,715,448	21,155,435
Other reserves of equity accounted investees	33,199,130	34,534,487
Restricted reserves of equity accounted investees	7,431,307	8,631,082
Valuation of available-for-sale financial assets	(1,071,980)	(1,064,021)
IFRS balance	499,750,710	529,880,212

(f) The reconciliation of comprehensive income arising from adjustments given to the previous years financial statements due to İMKB's IFRS transition are presented below:

	General administrative expenses	
	2010	2011
<i>Previous GAAP</i>	(131,171,164)	(153,947,034)
Depreciation and amortisation	(1,391,207)	359,455
Reversal of employee termination benefit provision	1,724,890	558,775
Lawsuit provisions	--	(258,798)
Adjustment of severance indemnity and service bonus provisions according to TAS 19	2,322,928	1,648,249
IFRS balance	(128,514,553)	(151,639,353)

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	Other operating income	
	2010	2011
<i>Previous GAAP</i>	8,912,594	12,323,044
Dividend revenue adjustments of equity-accounted investees	(4,445,137)	(9,215,119)
IFRS balance	4,467,457	3,107,925
	Other operating expenses	
	2010	2011
<i>Previous GAAP</i>	(25,881,402)	(26,958,292)
Adjustment to depreciation which was previously recorded in 2011 in extraordinary expenses	--	2,308,986
IFRS balance	(25,881,402)	(24,649,306)

Footnotes to reconciliation

(g) While İMKB did not classify its government bonds that are recognised in financial investments in previous GAAP, in accordance with IFRS, İMKB has begun to recognise this financial investments as available-for-sale financial assets. The effects of transition are presented below:

	Fair value reserve	
	1 January 2011	31 December 2011
<i>Previous GAAP</i>	--	--
With the transition to IFRS the amortised cost and fair value differences of government bonds that have been classified as available-for-sale financial assets recognised as fair value reserves	1,064,021	(1,490,720)
IFRS balance	1,064,021	(1,490,720)
	Finance income	
	2010	2011
<i>Previous GAAP</i>	26,106,878	25,786,925
With the transition to IFRS the amortised cost and fair value differences of government bonds that have been classified as available-for-sale financial assets recognised as fair value reserves	7,959	2,571,071
IFRS balance	26,114,837	28,357,996

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