

Istanbul, 31/10/2016

General Letter: 1310  
Securities Lending Markets Team

Subject : Securities Lending Market (SLM) security closing transactions

Referance : Brokerage Houses  
Banks

Dear CEO,

Our activities conducted for continuously improving the service quality in the services provided by our Bank are continued according to the requests received from you. In this context; the following change has been made considering the requests received from our market participants executing transactions in SLM.

As it is known, in case of re-borrowing from the security subject to the lending which has become due and payable and which is desired to be closed; a balance occurs in the Debt Closing Blockage Account and the closing transaction is automatically executed by the system from the Debt Closing Blockage Account rather than the free account.

With the change made; if there is a balance in the Debt Closing Blockage account; the Member shall decide for execution of the closing **automatically** by the system or **manually** up to the amount of the existing balance; but the member will be required to enter in advance a definition from the related screen to this effect. For the customers willing to execute manual closing from the Debt Closing Blockage Account, a new screen entitled "**Automatic Closing Exemption Screen**" has been created under the heading of "**Closing / Transaction Commission**" on the member screens. By using this screen, members should make a definition for each customer/portfolio/fund which is desired to be closed manually. The closing transactions of the customers that do not enter exemptions shall be continued to be executed automatically from the Debt Closing Blockage Account. If manual closing is selected, the transactions of the customers that do not execute closing transactions from the Closing Blockage Accounts until **10 minutes** before the last hour of debt closing shall be automatically closed by the system.

The revisions mentioned above shall be put into effect as of **02 November 2016**. The "**Procedure on the Application Principles of Takasbank Securities Lending Market**" updated with such changes shall be made available via our Bank's website ([www.takasbank.com.tr](http://www.takasbank.com.tr)) by the same date.

Respectfully submitted for your information and further action.  
Sincerely yours,

**TAKASBANK**  
**İSTANBUL CLEARING, SETTLEMENT AND CUSTODY BANK INC.**

Cengiz ÖZÜBEK  
Executive Vice President

Mahmut KAYACIK  
CEO and Board Member