

İstanbul, 05/07/2017

General Letter: 1361
Credit Department

Subject: Settlement Credits applications

To: Brokerage Houses,

Dear General Manager,

On 19/06/2017 in Borsa İstanbul A.Ş. equity market, our bank began to provide central counter-party services as stated in our General Letter on the date of 26.05.2017, 1355, "İstanbul Clearing and Custody Bank A.Ş. Borsa İstanbul A.Ş. Equity Market Settlement and Central Counter-Party Service Basis Directive is available on the Takasbank internet address.

In the related directives and procedures, a collateral is also requested from the members in order to cover the risks arising from the securities positions provided by the central counter-party Service in the Equity Market, as detailed.

In Article 50 Part 1 of the Procedures for Borsa İstanbul A.Ş. Equity Market Settlement and central counter-party Service; For those accounts that fall below the collateral level for which the amount of collateral is to be found or for which there is collateral obligation in Turkish Lira, a margin call is made at the end of each working day. Members must fulfill their collateral margin call obligations by 15:00 at the latest on the next business day. Default provisions shall apply for non-performing obligations during this period. The last hour of completion of margin call in half working days is 11:00

In order to facilitate the provision of such funds which our members need for a short period of time and to fulfill their liquidity needs, Takasbank will provide credits without any collateral to the institutions which their equity capital has over 25.000.000 TL and with the certain internal credit rating and evaluation note which is in compliance with the General Provisions Regulations of the Credit Rating and Evaluation Systems the related procedures.

For this purpose, a limit has been allocated to the type of credit defined as Settlement Credit for institutions that are eligible. Allotted limits have been notified to the institutions in writing. The Settlement Credit shall be transferred to the transaction guarantee account of the members as blocked. Brokerage houses will not be able to process another account for the amount transferred as credit to the transaction guarantees. In the beginning, no interest will be applied for the amount transferred to the transaction guarantees as credit on behalf of our members. It will also be notified when new regulations about interest payment are implemented.

Members who are in compliance with the settlement credit usage criteria and who want to benefit from this application should first sign the "SETTLEMENT CREDIT LETTER OF UNDERTAKING" and submit it to the Member Relations and Corporate Communication Department. In addition, detailed information about credit transactions has been arranged in "PROCEDURE ON SETTLEMENT CREDIT IMPLEMENTATION PRINCIPLES " and can be accessed from "Resources" main page of our Bank's website under "Rules&Regulations" sub-title "Procedures".

We would like your information and request.

Best regards,

TAKASBANK
İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

Semanur CERRAHOĞLU
Director

Mahmut KAYACIK
General Manager
Member of the Board