



**Annual Report
2012**

TSPAKB THE ASSOCIATION OF CAPITAL MARKET
INTERMEDIARY INSTITUTIONS OF TURKEY

Contents

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To view TSPAKB Annual Reports,
please visit:

www.tspakb.org.tr



TSPAKB

The Association of Capital Market Intermediary Institutions of Turkey (TSPAKB) is a self-regulatory organization established in 2001.

The Association has 142 members, including:

- 100 brokerage firms,
- 1 derivatives brokerage firm, and
- 41 banks.

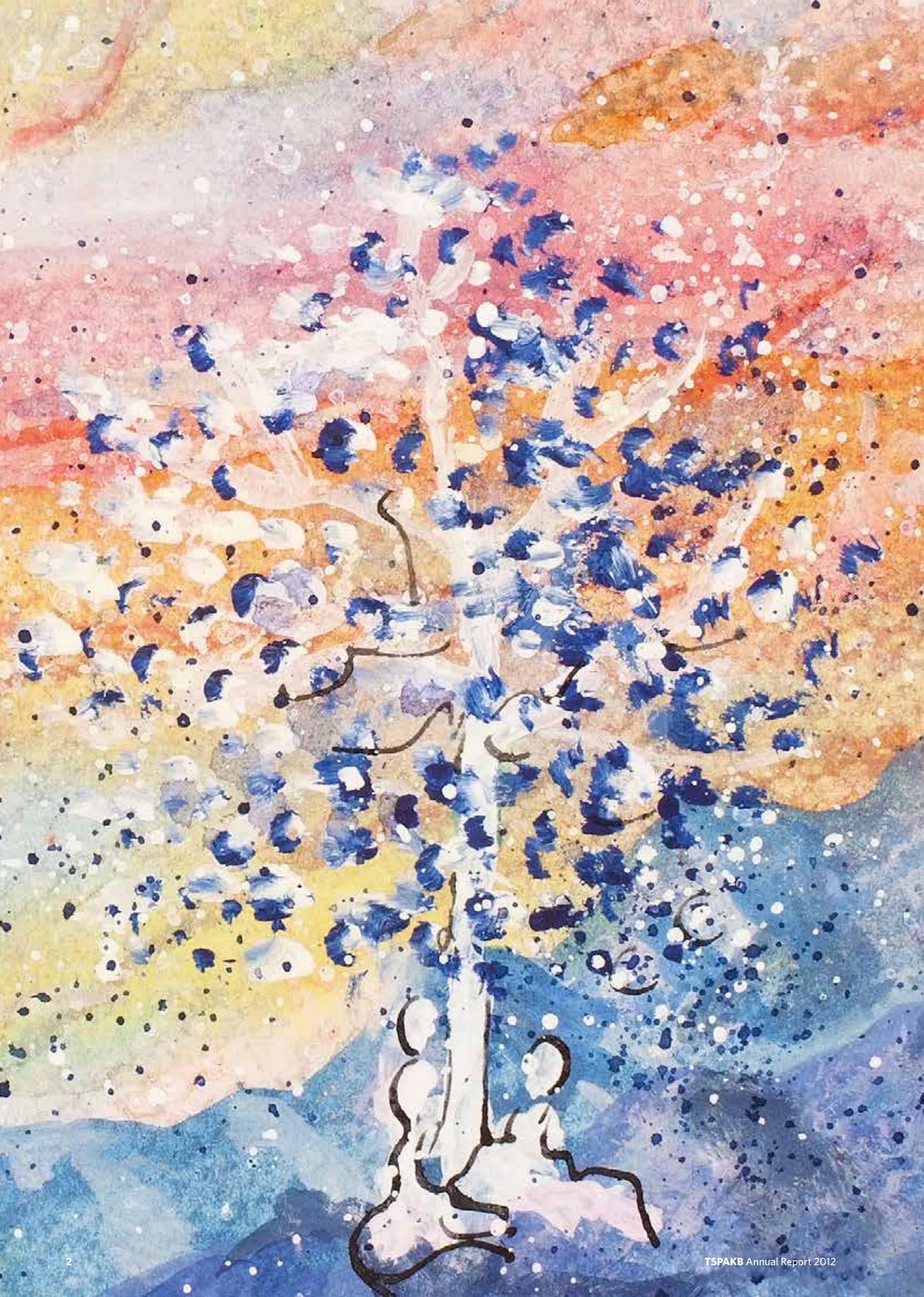
TSPAKB oversees the industry and informs its members through publications, training programs, events and conferences.

The Association aims to;

- Cater to the common needs of its members,
- Facilitate professional activities of its members,
- Help development of the profession in line with common interests,
- Uphold professional discipline and ethics.

Mission

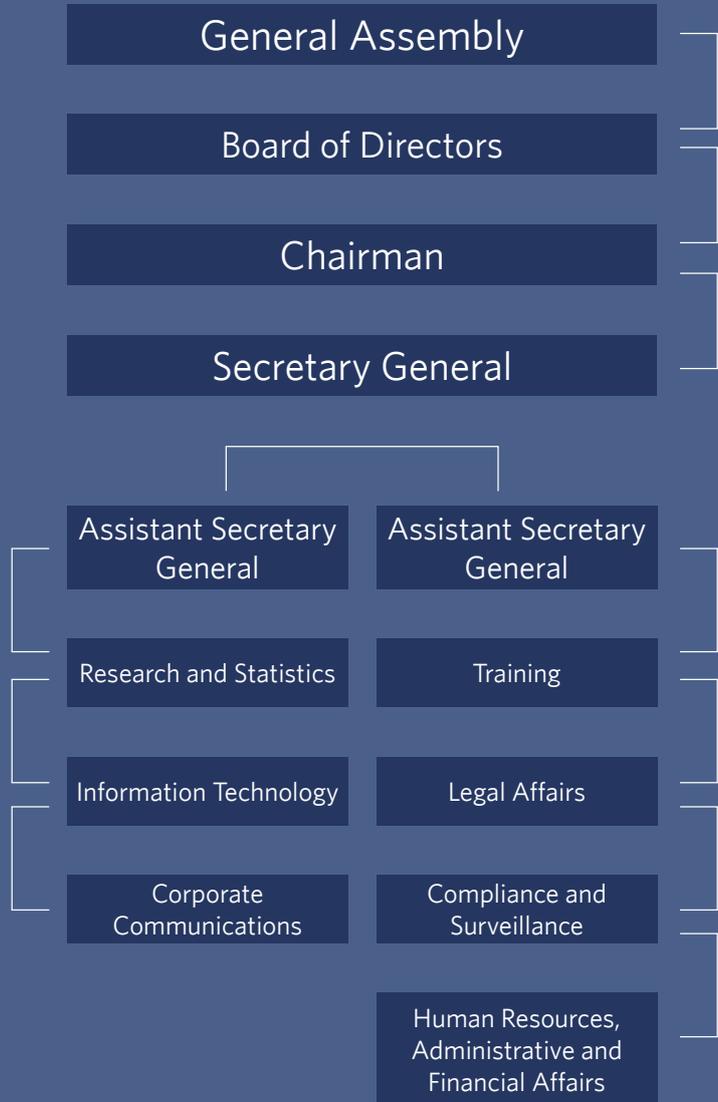
To contribute to the development of a community of professionals equipped with high level of expertise who are sincerely committed to ethical values and perceive competition as offering better products and services to investors with the ultimate aim of contributing to the development of the national economy and the capital markets.



explores shares

TSPAKB identifies the industry's needs and conducts research on the capital markets. The Association distributes its publications to its national and international stakeholders.

Organization Structure



The average age of our staff is 36, with our 21 employees having an average of 12 years of work experience. One of our employees holds a Ph.D. degree, five have a master's degree, twelve are university graduates and one of them holds an associate degree.

Milestones

| | | |
|---|---|----|
| <ul style="list-style-type: none"> • TSPAKB founded. • The first general meeting held. • The first membership meeting held. | <ul style="list-style-type: none"> • Licensing authorization granted. • Professional Rules published. • Disciplinary Regulation announced. | 01 |
| <ul style="list-style-type: none"> • First book published. • First panel discussion organized. • TSPAKB website went live. • First annual report printed. | <ul style="list-style-type: none"> • First monthly publication issued. • Licensing exam preparation trainings started. • First press conference held. | 02 |
| <ul style="list-style-type: none"> • First license certificate issued. • Professional development trainings started. | <ul style="list-style-type: none"> • Arbitration Rules published. • Joined International Organization of Securities Commission (IOSCO). | 03 |
| <ul style="list-style-type: none"> • TurkDEX trainings initiated. | <ul style="list-style-type: none"> • First university visits paid. | 04 |
| <ul style="list-style-type: none"> • License renewal training programs started. | <ul style="list-style-type: none"> • Joined International Council of Securities Associations (ICSA). | 06 |
| <ul style="list-style-type: none"> • New website went live. • First annual report in English published. | <ul style="list-style-type: none"> • Personal development trainings begun. | 08 |
| <ul style="list-style-type: none"> • Compliance Program Development Guide for Brokerage Firms published. • Joined Asia Securities Forum (ASF), Federation of Euro-Asian | <ul style="list-style-type: none"> • Stock Exchanges (FEAS) and the International Forum for Investor Education (IFIE). • Disaster Recovery Center launched. | 09 |
| <ul style="list-style-type: none"> • Joined Asia Forum for Investor Education (AFIE) as a founding member. • Licensing exams organized by TSPAKB. • First international conference held. | <ul style="list-style-type: none"> • First overseas event organized in South Korea. • 100th issue of the monthly Agenda in Capital Markets published. • Financial Statements Guide for Brokerage Firms released. | 10 |
| <ul style="list-style-type: none"> • 10th anniversary of the Association. • Tenth edition of the annual Turkish Capital Markets published. | <ul style="list-style-type: none"> • Capital Market Licensing, Registration and Training Agency (CMLTA) established. | 11 |
| <ul style="list-style-type: none"> • Investor education in social media started. • ICSA and IOSCO SROCC Mid Year Meetings hosted. • Licensing authorization rights transferred to CMLTA. | <ul style="list-style-type: none"> • Memorandum of Understanding with the Korea Exchange (KRX) and the Japan Securities Dealers Association. • Free trainings to university students started. | 12 |

Board of Directors



Attila Köksal, CFA

Chairman
23 May 2011
Ünlü Menkul Değerler A.Ş.
Partner and Deputy CEO



T. Metin Ayışık

Vice Chairman
23 May 2011
Alternatif Yatırım A.Ş.
General Manager



Adnan Bahar

Board Member
23 May 2011
Bahar Menkul Değerler Ticaret A.Ş.
Chairman



Ahmet C. Yıldırım

Board Member
23 May 2011
Yapı Kredi Yatırım Menkul Değerler A.Ş.
Member of the Board of Directors and
General Manager



Alp Tekince

Board Member
23 May 2011
Ekinciler Yatırım Menkul Değerler A.Ş.
General Manager



Bora Böcügöz

Board Member
13 November 2012
Denizbank A.Ş.
Assistant General Manager



Tanju Günel

Board Member
23 May 2011
Osmanlı Menkul Değerler A.Ş.
Member of the Board of Directors

Board of Auditors



Recep Atakan
Audit Board Member
3 September 2012
Anadolubank A.Ş.
Assistant General Manager



Serdar Satoğlu, Ph.D.
Audit Board Member
23 May 2011
Türkiye Vakıflar Bankası T.A.O.
Assistant General Manager



Vesile Şarlıoğlu
Audit Board Member
23 May 2011
Meksa Yatırım Menkul Değerler A.Ş.
Member of the Board of Directors and
General Manager

Discipline Committee



Haluk Türkölmez
Discipline Committee Member
6 December 2010
AK Yatırım Menkul Değerler A.Ş.
Assistant General Manager



Tolga Şenefe
Discipline Committee Member
9 June 2011
Alternatif Bank A.Ş.
Assistant General Manager



Ufuk Ümit Onbaşı
Discipline Committee Member
5 May 2010
İş Yatırım Menkul Değerler A.Ş.
Assistant General Manager

Employees

Research and Statistics



İlkyay Arıkan
Secretary
General



Ekin Fıkrıkoca
Director



Alparslan Budak
Assistant
Secretary General



Gökben Altaş
Senior Research
Analyst



O. İlker Savuran
Assistant
Secretary General



Bora Eralp
Junior Research
Analyst

Information Technology

Corporate Communications



Sezgin Lafcı
Director



Tuğba Oğan
Assistant
Director



**Telman
Şahbazoğlu**
Assistant Director

Training



**Gökhan
Büyüksengür, Ph.D.**
Director



**Aslı Hondu
İmamoğlu**
Senior Specialist



Nazım Sevim
Specialist



Çağla Savuran
Assistant
Officer

Legal Affairs



**Süleyman
Morbel**
Director

Human Resources, Administrative and Financial Affairs



Engin Turan
Director



Kerim Karakaya
Assistant
Director



Hülya Yılmaz
Chief



Gülcan Yalçiner
Officer



Muzaffer Demirci
Driver



Şadiye Selek
Office Services

Compliance and Surveillance



**Esra Esin
Savaşan**
Director



promotes improves

Financial awareness is a key element of capital market development. TSPAKB leads and takes part in major investor education projects.

An Overview of 2012



With the new Capital Market Law, the name and membership structure of our Association will change.

Distinguished Members,

As the Board of Directors elected in May 2011, we have completed almost two years in office. We are thankful for the invaluable support of our members during our lengthy journey aiming at restructuring the Turkish capital markets. Here, I would like to share a brief assessment of the past year with you.

The new Capital Market Law and the demutualization of İstanbul Stock Exchange (ISE) have been the key agenda items of 2012 for our industry.

We continued to work on the draft Capital Market Law during the whole year. We have carefully evaluated the feedback from our members and took every opportunity to share our industry's opinions with relevant parties. Finally, the long-awaited Capital Market Law that introduced new practices and requirements went into force in December 2012.

A key new concept introduced by the Law has been the provision that allows incorporation of new exchanges as joint stock companies. In this frame, we have voiced our members' rights and opinions during the demutualization of the ISE. Following these initiatives, it has been stipulated that our members and our Association will receive respective shares of 4% and 1% in the newly established Borsa İstanbul A.Ş..

With the new Capital Market Law, the name and membership structure of our Association will change. Accordingly, asset management companies will also become members of our Association besides brokerage firms and banks; a development that our Association was also supporting.

We are confident that the new Law will shape the future of our market while paving the way towards İstanbul's becoming a financial center. Upon these changes, we believe that our entire financial system will function more efficiently and effectively.

As the management of the Association, we have determined investor education as our top priority in 2012. We have allocated both human resources and finances to support numerous activities carried out within the scope of the "Investor Education Collaboration Protocol" led by the Capital Markets Board of Turkey (CMB).

Given the fact that well-trained and well-equipped human resource is the most pivotal need of our industry, we continued to hold meetings at universities with our stakeholders. In addition, we organized the "Investor Education Conference" in March. The Conference also served as a clear manifestation of the willingness of the brokerage industry to develop relevant projects. In response to the demand from the industry, we have set up the Financial Education aXiyon Team that is made up of volunteer market professionals from the financial services industry. In order to instill an awareness of savings and investment among the public, we have launched a blog at www.paramveben.org and a Facebook page named Param ve Ben (My Money and I) by early December 2012. As the Association, we perceive investor education as a very long-term project. We will reap the results of these efforts not in 2013, but in the medium term.

Globalization has gained great momentum in the financial services industry in conjunction with the developments in technology and

Commissions (IOSCO SROCC) in İstanbul. In addition, we signed Memorandum of Understandings with the Korea Exchange and the Japan Securities Dealers Association to build on our bilateral relationships and increase our international recognition.

During 2012, we carried on with our publications that are regarded as benchmark in the industry. Having become a major source of reference in Turkey, our publications in Turkish and English have been attracting interest from foreign investors as well.

On the other hand, our subsidiary Capital Markets Licensing Registration and Training Agency (CMLTA) completed its organization process, upon which we have conferred our authority to grant licenses to and keep records of the market professionals.

Distinguished Members,

For our investors, exchanges, institutions and markets, 2013 will be the year for taking the initial steps of a number of initiatives. The results of these initiatives will be reaped in the medium term. From this year on, we will all be experiencing the impacts of the revisions in the Capital Market Law. The membership structure of our Association will be broadened. The transformation of the İstanbul Stock Exchange into Borsa İstanbul will be finalized. Altogether, we will see the results of these changes very soon.

As TSPAKB, we will persevere with our efforts for the development of financial markets with the same enthusiasm in 2013. I would like to take this opportunity to offer my thanks to

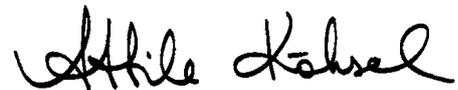
The new Capital Market Law and the demutualization of İstanbul Stock Exchange (ISE) have been the key agenda items of 2012 for our industry.

communication, which resulted in the emergence of new markets and financial products. Similarly, regulatory revisions and increased product range compelled the diversification of our training programs to meet the industry's needs. We had provided training to 4,000 people during 2011, while in 2012, we doubled this figure and reached 8,000 people.

In addition to various activities we conducted in Turkey, we also took an active role in international platforms. We have been closely monitoring international developments that may have a potential impact on our industry. In this framework, we hosted the Interim Meetings of the International Council of Securities Associations (ICSA) and Self-Regulatory Organizations Consultative Committee of the International Organization of Securities

the Capital Markets Board, to Borsa İstanbul and to all our stakeholders who have been devoting their hard work and efforts to advance our market. I would also like to thank you, our distinguished members, for your relentless support, and the valuable members of our Board of Directors, members of the Board of Auditors, and employees of our Association.

Yours sincerely,



Attila Köksal, CFA
Chairman



leads educates

TSPAKB contributes to the improvement of the industry through training programs for market professionals.

Initiatives



In line with its primary mission of improving capital markets, TSPAKB carries out various activities.

Draft Capital Market Law

The Association formulated its comments on the Draft Capital Market Law by incorporating the members' feedback, and submitted them to the CMB in 2012, which had sought the public opinion on the subject.

The Association carried on with its attempts before the Grand National Assembly of Turkey (Turkish Parliament) to support its opinions and suggestions, which had been previously submitted to the CMB, but had not been incorporated in the draft bill. The new Capital Market Law no 6362 went into effect on 30 December 2012.

Meeting with the Turkish Parliament Constitutional Reconciliation Committee

The Turkish Parliament Constitutional Reconciliation Committee started to work on 19 October 2011 to draft the new constitution. A sub-committee was formed to seek suggestions and feedback from professional organizations

and unions so as to involve non-governmental organizations in the process. Our Association sent its feedback to the Committee in a letter. A meeting was held on 1 February 2012 between the Commission members and the Association's officials to elaborate on the feedback submitted by the Association.

İstanbul Arbitration Center Board

The Strategy and Action Plan for İstanbul International Financial Center targets establishment of an independent and autonomous arbitration center.

An application has been filed with the Prime Ministry General Directorate of Laws and Decrees, and with the Ministry of Justice General Directorate of Laws based on the belief that the Association's involvement in the İstanbul Arbitration Center Board would contribute to this formation. The authorized

Application for Offering Private Pension Contracts

agencies have informed that our application has been received positively.

An application has been filed with the Prime Ministry Undersecretariat of Treasury General Directorate of Insurance for enabling brokerage firms to offer pension contracts.

Communiqué on Repurchase Agreements

The Association's opinions and suggestions regarding the Draft Communiqué Amending the Communiqué on Repurchase and Reverse Repurchase Agreements have been submitted to the CMB.

Furthermore, a meeting was held at the Association's head office on 2 February 2012 attended by our members and CMB representatives to discuss the planned revisions in repurchase transactions. During the meeting, participated by Tuncay Yıldiran, Head of the

CMB Intermediary Activities Division, the industry's comments and suggestions regarding the draft communiqué were shared.

New Income Tax Law

Within the scope of the work carried out regarding the new Income Tax Law, efforts were spent to resolve the issues our industry faces in the taxation of capital market instruments and institutions.

Draft BITT Communiqué

The Association submitted its comments and suggestions to the Ministry of Finance regarding the draft "General Communiqué on Expenditure Tax", which was prepared by the Ministry of Finance Directorate General of Revenue Administration in relation to the levying of banking and insurance transaction tax (BITT) on derivatives.

Our goal is to identify industry's problems and offer solutions. Thus, we are voicing our members' opinions on relevant platforms and working to develop our market further.

The capital markets are rapidly changing. In order to improve the markets, we work with prominent industry players.



Taxation of Certificates

Regarded as a product similar to warrants in the capital market legislation, certificates are expected to be taxed in an equivalent fashion with warrants. However, no specific explanations were offered by the Revenue Administration on the issue. Therefore, the Revenue Administration has been informed on the Association's opinion that an explanation will be useful to eliminate the uncertainties regarding taxation of certificates.

Electronic Bookkeeping

The Association's suggestions have been submitted to the CMB regarding the alignment of the capital market legislation with the "General Communiqué on Electronic Books" and "General Communiqué no 397 on the Tax Procedural Law" issued by the Ministry of Finance. In its recommendation, the Association stated that it would be beneficial to have an arrangement that will allow electronic creation, recording, storage and submission of legal books and transaction result sheets issued by intermediary institutions.

Extending Trading Hours

Our Association filed an application with the ISE for re-arrangement of trading hours on the Equities Market. 51 members, that accounted for 70% of the equity trading volume in 2011, have submitted their opinions to the Association. The ISE revised the trading hours in response to our application.

Revising the Principles of Promotions

A review has been conducted on the principles that will form the basis of the Association's scrutiny of our members' promotional activities. The review also covered the leveraged foreign exchange (forex) trading activities that have been defined as a capital market activity in 2011. The principles identified during the review have been presented to the CMB for consideration.

Notification of Banks' Campaigns to the Association

On 20 October 2006, the CMB conferred on our Association the authority to monitor the promotional campaigns to be organized by intermediary institutions. However, the exclusion of the banks' promotional campaigns concerning capital markets from the authorization of the Association led to certain problems in practice. The Association applied to the CMB asking for clarification. The CMB decided on 2 February 2012 that all promotional campaigns to be conducted by banks and brokerage firms in capital markets should be notified to the Association.



We strive to contribute to the development of the industry.

During 2012, the Association scrutinized 69 campaign applications by members and informed the related parties on its conclusions.

Negotiable Commission Practice

The Association has been regularly monitoring developments on negotiable commission practice, which has been effective since 1 January 2006. Within this framework, information is being collected from members on their commission income on a monthly basis, in order to observe the overall effects of the negotiable commission practice on the revenue structure of intermediary institutions, as well as on the industry as a whole. The data, along with our evaluations, are reported to the CMB on a quarterly basis.

MASAK Task Force

Aiming to evaluate the implementations of MASAK (Financial Crimes Investigation Board) and to develop collaboration areas between the Association and MASAK, a MASAK Task Force was set up under the Association. Made up of 50 members, the task force formed an executive committee from among its members and carries on with its activities.

Leveraged Forex Trading Task Force

Although only recently regulated, leveraged forex trading has been quickly growing in Turkey. Set up for the purpose of publicizing the activities conducted in relation to forex trading, voicing the common issues and concerns that arise in practice, and exchanging opinions in search of solutions, the task force continued with its efforts during 2012.

TAS - TFRS Revision Task Forces

Our Association took part in the Turkish Accounting Standards and Turkish Financial Reporting Standards revision task forces, which are led by the Public Oversight Accounting and Auditing Standards Authority.

Public Offering Task Force

A task force was set up in the Association to establish the industry principles for public offerings. The task force addresses and discusses the issues and suggests solutions for the four parties of a public offering, i.e. issuers, investors, intermediary institutions and regulators, with the ultimate objective of establishing the industry principles on public offerings.

Investor Education

To raise financial awareness and to improve reliable performance of the industry, our Association runs various financial education initiatives.



Investor Education Cooperation Protocol

The “Investor Education Cooperation Protocol” was signed on 5 March 2012 with the objective of undertaking educational activities aimed at raising an increased awareness of the capital markets, and promoting the capital markets in and out of the country. The parties to the protocol are the Capital Markets Board of Turkey (CMB), İstanbul Stock Exchange (ISE), Turkish Derivatives Exchange (TurkDEX), ISE Settlement and Custody Inc. (Takasbank), Central Securities Depository (MKK), İstanbul Gold Exchange (IGE), Turkish Institutional Investment Managers’ Association (TKYD), Capital Markets Licensing Registration and Training Agency (CMLTA), and our Association.

Investor Education Conference

Our Association organized an “Investor Education Conference” on 10 March 2012. The event was attended by a total of 140 individuals that included our members, representatives of various capital market institutions, academics, members of the financial press and media, as well as CMB Chairman Vedat Akgiray, ISE Chairman and CEO Dr. M. İbrahim Turhan, and CBRT Deputy Governor Assoc. Prof. Mehmet Yörükoğlu.

While investor education was addressed in detail, all activities and discussions held within the scope of the conference were put together in a report and shared with the participants.

Financial Education aXiyon Team

The Investor Education Conference clearly manifested the willingness of the industry to develop relevant projects. In response to the demands from the industry, a financial education action team called "aXiyon", was set up at the Association, formed of volunteer professionals from the financial services sector.

Led by Murat Ergin, ING Asset Management Senior Vice President and constituted by volunteer market professionals and the Association's officials, the Financial Education aXiyon Team works towards developing a comprehensive investor education program.

As the initial step of these efforts, a campaign was initiated on social media for fast and effective conveyance of the messages to the target audiences. In this frame, a blog went live on www.paramveben.org with messages on savings and investment, and a page named "Param ve Ben" (My Money and I) was launched on Facebook by early December 2012.

Market Institutions at Universities

The series of seminars launched in 2011 by the CMB, ISE and the Association under the title "Market Institutions at Universities" continued with 10 university visits in 2010-2011 academic year and with 11 visits in the 2012-2013 academic year.

Market Institutions at Universities

2011-2012 Academic Year

| | |
|-----------------------------------|---------------|
| Niğde University | 5 March 2012 |
| Giresun University | 6 March 2012 |
| Süleyman Demirel University | 13 March 2012 |
| Çanakkale Onsekiz Mart University | 21 March 2012 |
| Uşak University | 27 March 2012 |
| Aksaray University | 5 April 2012 |
| Balıkesir University | 11 April 2012 |
| Bilecik University | 18 April 2012 |
| Dumlupınar University | 27 April 2012 |
| Harran University | 30 April 2012 |

2012-2013 Academic Year

| | |
|---------------------------------|------------------|
| Recep Tayyip Erdoğan University | 16 October 2012 |
| Bayburt University | 19 October 2012 |
| Ordu University | 31 October 2012 |
| Namık Kemal University | 14 November 2012 |
| Cumhuriyet University | 28 November 2012 |
| Gaziantep University | 4 December 2012 |
| Gediz University | 6 December 2012 |
| Osmangazi University | 12 December 2012 |
| Nevşehir University | 12 December 2012 |
| Çağ University | 14 December 2012 |
| Afyon Kocatepe University | 19 December 2012 |

During the seminars, information has been provided on the Turkish capital markets. There was intensive student participation and interest in the events at the universities visited. Approximately 4,500 students attended the seminars held at 21 universities. As a result of the lots drawn following each seminar, two students won internship at the CMB, two students won training/internship at the ISE, and two others free-of-charge attendance to any professional development training program of their choice organized at the Association.



We strongly believe that financial education will develop our market further.



7 Universities in 7 Regions

The CMB organized training seminars under the title “7 Universities in 7 Regions” aimed at the graduate students in seven universities across the seven geographical regions of Turkey.

During the three-day certification program, the participating students were given an introduction to the capital markets and institutions, as well as information on career opportunities. At the universities, 50 students identified by the administration had the opportunity to take part in these seminars. A total of 400 students attended the seminars organized in 8 universities and received their

certificates. In addition, as a result of the lots drawn, 4 students from each university earned the right to attend any one of the training programs offered by our Association.

7 Universities in 7 Regions

2011-2012 Academic Year

| | |
|----------------------|---------------------|
| Ege University | 13-15 February 2012 |
| Dicle University | 15-17 February 2012 |
| Kırıkkale University | 22-24 February 2012 |
| Karaelmas University | 27-29 February 2012 |
| Uludağ University | 27-29 February 2012 |
| Çukurova University | 7-9 March 2012 |
| Atatürk University | 14-16 April 2012 |

2012-2013 Academic Year

| | |
|--------------------|---------------------|
| Anadolu University | 10-12 December 2012 |
|--------------------|---------------------|

Free Training for University Students

Starting from 2012, the Association provided free-of-charge participation opportunity in our training programs for university students. 5 free seats were available for students in each program on personal development, professional development, and licensing exam preparation training courses. Subject to the prerequisite of attending a relevant department, the students were admitted on the first-come-first-served basis. During 2012, a total of 65 students took part in the training programs offered by the Association for free.

Target: 20,000 Women Towards İstanbul Financial Center

Launched in 2011 and jointly coordinated by the Ministry of Family and Social Policies, İstanbul Metropolitan Municipality Training Courses in Crafts and Vocations (İSMEK) and Doğuş Holding, "Target: 20,000 Women Towards İstanbul Financial Center" project went on in 2012. The Association extended support to the project by setting up stands and making its publications available.

Essay Competition Among Primary and Secondary School Students

Having made its debut in 2011 among primary and secondary school students, the essay competition coordinated by the CMB was awarded with second place in the international competition organized by Child and Youth Finance International on 4 April 2012.

The 2nd Essay Composition, again led by the CMB, took place between 6-8 May 2012. The Association handled the organization of the guests' accommodation, transportation, social excursions and awards of the essay competition. This internationally awarded project was supported with the financial contributions of all capital market institutions that joined the Investor Education Campaign Cooperation Protocol.



We aim to raise awareness on capital markets among young generation.



strengthens presents

Strengthening its technological infrastructure as well as human resources, TSPAKB paves the way to efficient and high-quality services for its stakeholders. The Association shares its services, publications, activities and views with the public through various channels.

Research and Publications



Our publications in English and Turkish have been shared with various national and international institutions, universities, members and the public.

The Turkish Capital Markets in 2011

The 2011 issue of our annual report on the “Turkish Capital Markets” was released in May 2012. As well as a wrap up of macroeconomic developments, the report reviewed the financial system, analyzed the size and international standing of the Turkish capital market, and evaluated the activities, organization, human resources and financial statements of brokerage firms, along with the investor profile.

Monthly Agenda in Capital Markets

Our monthly publication, Agenda in Capital Markets, covers the activities of the Association, developments in the industry, and various research articles. During 2012, the publication analyzed the data of intermediary institutions gathered by the Association, and also addressed the topics below:

- Behavioral Finance
- Comparative Yields of Investment Instruments
- Corporate Debt Instruments in Emerging Countries
- Corporate Debt Instruments in Turkey and in the World
- Debt Instruments
- Derivatives Markets in Emerging Countries
- Effects of Investment Grade Ratings on Capital Markets
- Euro-Asian Exchanges
- Financing of Infrastructure Investments
- Interest According to the Turkish Code of Obligations and the Turkish Commercial Code
- Investment Clubs
- Legal Status of Investment Clubs in Turkey
- Options Contracts
- Revenue and Expense Structures of Exchanges
- Savings in Turkey
- Special-Purpose Acquisition Companies

Industry Data Bank

In 2012, the Association continued to gather quarterly operational and financial data from intermediary institutions. For the first time in September 2012, the required data were received through the Member Management System, a software developed in-house.

The collected data are posted on our website under the section “Data Bank”, which provides the capital market factsheet, aggregate financial statements and activities of brokerage firms, comparative data on brokerage firms and investor profile.

Furthermore, certain data are submitted to the Central Bank of the Republic of Turkey (CBRT), ISE Settlement and Custody Inc., and the Turkish Statistical Institute. The data gathered by the Association are used as benchmark by other agencies including the Banking Regulation and Supervision Agency, as well as the organizations named above.



The Handbook of the Turkish Capital Markets 2012

Focusing on the structure of the Turkish capital markets and existing regulations, “The Handbook of the Turkish Capital Markets 2012” report has been published in English in March 2012.

Brokerage Industry Review 2011

Analyzing the developments in the capital markets and the brokerage industry during 2011, “Brokerage Industry Review 2011” was published in English in May 2012.

Brokerage Industry 2012 Semi-Annual Review

The report entitled “Brokerage Industry 2012 Semi-Annual Review” that focused on the activities of intermediary institutions during the first half of the year was published in September 2012.

Forex Trading in Turkey

Our new publication titled “Forex Trading in Turkey” was issued for the first time in 2012. The brochure provides information on leveraged forex trading in Turkey.

Licensing of Brokerage Firms in Turkey

The leaflet “Licensing of Brokerage Firms in Turkey”, which provides descriptions of the activities of intermediary institutions, was updated in view of revised regulations.

TSPAKB in a Nutshell

Providing information on our Association, the “TSPAKB in a Nutshell” leaflet has been updated.

Meetings and Events

Through the meetings and events it organizes, TSPAKB aims to provide platforms where all market players share the industry's problems and offer solutions.



12th Ordinary General Meeting

The 12th Ordinary General Meeting was held on 25 May 2012. The meeting was inaugurated by the TSPAKB Chairman Attila Köksal. The presentation by the Secretary General of the Association, İlkay Arıkan, outlining the annual activities of the Association was followed by discussions on agenda items.

23rd Members' Meeting

The 23rd Members' Meeting was held on 12 October 2012. During the meeting, the latest developments in capital markets were reviewed and opinions were exchanged.

24th Members' Meeting

The 24th Members' Meeting took place on 29 November 2012. During the meeting, opinions were exchanged regarding the establishment of industry principles for public offerings, and a task force was set up for this purpose.

13th Extraordinary General Meeting

The 13th Extraordinary General Meeting of the Association was held on 11 December 2012. Following the inaugural speech delivered by Attila Köksal, Chairman of the Association, the budget for the year 2013 was accepted and membership dues and expense contributions were decided.





We strive to increase the level of knowledge of industry professionals, who work directly with investors, through diversifying our seminars.

Meeting for ISE Specialists

On 14 June 2012, recently recruited ISE employees paid a visit to the Association as part of their training program. A presentation on "Turkish Capital Markets and Intermediary Activities" was given to ISE employees.

Seminar on Certificates

A free seminar was organized on 27 October 2012, about certificates that started to be traded on the ISE Collective Products Market. During the seminar that was received with great interest from our members, Murat Bulut from the ISE, Atilla Gürses from the CRA, Müge Türkkan from Erste Securities İstanbul, and Berna Bayındır, tax consultant, made presentations and informed our members.

Interest Rate Derivatives Seminar

A free seminar on interest rate derivatives was hosted by our Association in cooperation with the International Capital Market Association (ICMA) on 2 November 2012. Approximately 70 members of the Association attended the "Interest Rate Derivatives" seminar given by Mr. Neil Schofield.

Meeting on the Capital Market Law

A meeting on the new Capital Market Law was held on 21 December 2012 in the ISE Conference Hall for our members. In the meeting, attended by more than 200 members, the Association's Legal Advisor Mr. İbrahim Haselçin gave a detailed presentation about the new law.

IT Law Training

An IT Law Training session was held on 28 December 2012 for the Association's staff. Given by Assoc. Prof. Mete Tevetoğlu, the training covered various topics including the scope and requirements of the new e-commerce law, protecting online personal and corporate reputation, liabilities of content providers, hosts, and access providers, and online advertising.



We organize meetings, panels and seminars on the development of the industry both in Turkey and abroad.



MASAK Trainers' Training

A training for trainers was organized by MASAK, the Financial Crimes Investigation Board, for industry professionals to combat money laundering and financing of terrorism. Held on 9-10 January 2012, the "Trainers' Training" program was attended by the representatives of the Association.

Panel on Public Offerings

Led by the ISE, CMB and the Association, a panel themed "Public Offerings" was held on 21 February 2012 at the ISE. The panel addressed the public offering process and the issues involved therein from a variety of aspects, along with suggested solutions. The panel was moderated by Attila Köksal, the Chairman of the Association.

İzmir Public Offering Summit

Within the scope of the "Public Offering Campaign" conducted by the CMB, The Union of Chambers and Commodity Exchanges of Turkey (TOBB), the ISE and the TSPAKB, İzmir Public Offering Summit was organized on 31 October 2012 for the purpose of informing companies about public offerings and encouraging them to go public.

The inaugural speeches of the summit were delivered by the ISE Chairman M. İbrahim Turhan, TSPAKB Vice Chairman T. Metin Ayışık, and İzmir Chamber of Commerce President Ekrem Demirtaş.

Public Offering Campaign Denizli Meeting

The Public Offering Campaign Denizli Meeting was held on 1 November 2012. Hosted by Denizli Chamber of Commerce, the meeting was inaugurated by the ISE Chairman M. İbrahim Turhan, Denizli Chamber of Commerce President Necdet Özer, Denizli Chamber of Industry Vice President İsmail Yılmaz, TSPAKB Board Member Alp Tekince, KOSGEB (Small and Medium Enterprises Development Organization) Vice President of SME Finance Department Mehmet Ömerbeyoğlu, and the CMB Vice Chairman M. Emin Özer. Within the scope of the meeting, a panel was held on "The Key to the Businesses' Future Success: IPO".





We contribute to enhancing the know-how in the industry through training programs for young people.

Marmara University EBAT FEST

A career day festival, named EBAT FEST was organized on 18-19 December 2012 by Marmara University Economics Research Group Community (EBAT). Upon invitation by the University, Dr. Gökhan Büyüksengür, Director of the Training and Corporate Communications Department of the Association, participated in the event and informed the students about career opportunities in intermediary institutions.

Marmara University Finance Days

On 25 December 2012, Marmara University Econometrics Club organized a seminar titled "Capital Markets Institutions Visit our University". At the seminar that was attended by specialists from the ISE, IGE, and the Association, Dr. Gökhan Büyüksengür, Director of the Training and Corporate Communications Department, provided information on the TSPAKB, intermediary institutions and career opportunities.

İstanbul Ticaret University Students' Visit to the Association

A group of 30 students from the Banking and Finance Club at İstanbul Ticaret University paid a visit to our Association on 24 April 2012. The students were provided with information on the Turkish capital markets, the Association, licensing exams, and career opportunities.



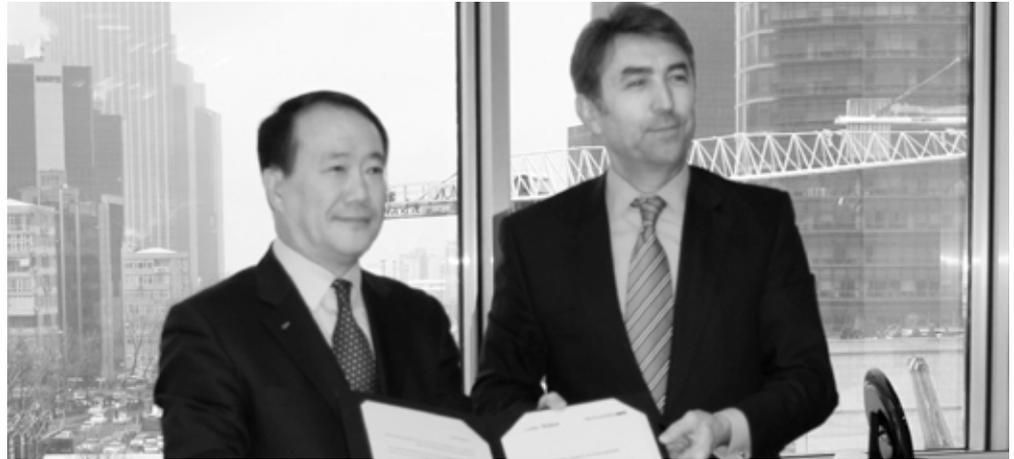


drives participates

The events TSPAKB organizes and participates in the international area keep industry professionals updated on the developments in the global markets.

International Relations

Thanks to our strong international relations, our Association shares its views and opinions with global institutions.



TSPAKB and KRX Memorandum of Understanding

Attila Köksal, Chairman of the Association, and Bongsoo Kim, Chairman of the Korea Exchange (KRX), signed a Memorandum of Understanding (MoU) on 15 February 2012 regarding collaboration between the Turkish and Korean capital markets.

The MoU between TSPAKB and Korea Exchange stipulates mutual information sharing on regulatory requirements, as well as on the overall situation and market developments in the two countries. The collaboration covers organization of various seminars and meetings in both countries in order to provide guidance to companies seeking to be listed on the ISE or the Korea Exchange, bilateral personnel exchange, and development of joint projects.

International Organization of Securities Commissions (IOSCO)

The annual conference of the International Organization of Securities Commissions

(IOSCO) took place from 13 May through 17 May 2012 in Beijing, the capital city of China. Representing our Association at this conference, Secretary General İlkey Arıkan and Assistant Secretary General Alparslan Budak provided information on the Self-Regulatory Organizations Consultative Committee Mid-Year Meeting that would be organized in November in İstanbul. The 2012 mid-year meeting of the Committee was held on 6 November 2012 and hosted by our Association in İstanbul.

International Forum for Investor Education (IFIE)

The Association attended the General Meeting of the International Forum for Investor Education (IFIE) that was held in Seoul from 20 May to 22 May 2012. Assistant Secretary General Alparslan Budak made a presentation on the investor education activities in Turkey, and bilateral meetings were held with the Korea Council for Investor Education and the Korea Exchange.

Federation of Euro-Asian Stock Exchanges (FEAS)

Federation of Euro-Asian Stock Exchanges (FEAS) Working Committee, held a meeting on 25 May 2012. Heading the FEAS Dealers' Associations Task Force, our Association shared the interim results of the survey on handling investor complaints in FEAS-member countries.

FEAS 18th General Assembly Meeting was held in Sofia, Bulgaria on 20-21 September 2012. Our Association was represented at the meeting by Assistant Secretary General Alparslan Budak and Director of Research and Statistics Ekin Fikirkoca, who shared the results of two separate surveys on handling investor complaints and the markets in FEAS-member countries. In addition, they held a meeting with the Bulgarian Dealers Association and exchanged ideas on the development of capital markets in the two countries.

International Council of Securities Associations (ICSA)

Since February 2011, our Association has been serving as the Chair of the Emerging Markets Committee of the International Council of Securities Associations (ICSA EMC). "Derivatives Market in Emerging Markets" report, which is the ICSA EMC's second study coordinated by our Association, was released in May 2012.

The Association also participated in the 35th Annual General Meeting of the ICSA, which was held on 11 June 2012 in Copenhagen. The 2012 mid-year meeting of the Council was hosted by our Association in İstanbul on 5 November 2012.

TSPAKB and JSDA Memorandum of Understanding

Attila Köksal, Chairman of TSPAKB and Tetsuo Mae, Chairman of Japan Securities Dealers Association (JSDA), signed a Memorandum of Understanding to develop the cooperation that already exists between the dealers associations of Turkey and Japan in the meeting held on 12 June 2012 in Copenhagen.

Under the agreement, the two associations will seek to increase their collaboration, support the development of mutual activities of financial institutions in the two countries, exchange information on the regulatory requirements and investor education.

Other International Activities

During 2012, our Association hosted the representatives of financial institutions and media from various countries, and provided information on the brokerage industry and market developments to the participants.



International Events

The events TSPAKB organizes and participates in the international arena enables industry professionals and investors to follow developments in the global capital markets.



Istanbul Financial Center Panel

City Week, an international platform made up of the leading institutions in financial markets, organized the "International Financial Services Forum" in London between 6-8 February 2012. With the British government among its organizing partners, the Forum included a panel titled "Opportunities for Foreign Financial Institutions in the New Istanbul Financial Centre". Representing our Association, Mr. Zafer Onat, Board Member, took part in the panel where he gave a presentation detailing the position of Istanbul among international financial centers.

Deutsche Börse Conference

The Association and the ISE jointly organized the Deutsche Börse meeting in the ISE Conference Hall on 19 April 2012. At the opening of the meeting, Attila Köksal, the Chairman of the Association, delivered a speech. The officials of Deutsche Börse provided information on the markets, services and the financial products traded, to the representatives of intermediary institutions who have attended the meeting.

Euro-Asian Investors Summit

The Euro-Asian Investors Summit was co-organized by the Istanbul Stock Exchange and the Federation of Euro-Asian Stock Exchanges (FEAS) on 24 May 2012. The participants to the summit were FEAS-member exchanges, associations, clearing houses, custodians and intermediary institutions, as well as national and international brokerage firms, banks and asset management companies. During the summit, the Association's activities were promoted and publications were handed out from the TSPAKB stand.

ICSA 2012 Interim Meeting

The 2012 Interim Meeting of the International Council of Securities Associations (ICSA) was hosted by our Association on 5 November 2012. Approximately 50 representatives from 17 countries took part in the meeting.

Among the speakers of the meeting were IOSCO Secretary General David Wright, World Federation of Exchanges CEO Hüseyin Erkan, and IOSCO Vice Chairman and CMB Chairman Vedat Akgiray.

During the meeting, opinions were exchanged on various topics including the effects of regulations in global markets on emerging countries, the role of International Organization of Securities Commissions (IOSCO) in global financial stability, stock exchanges, and global competition.

IOSCO SROCC 2012 Mid-Year Meeting

The 2012 Mid-Year Meeting of the International Organization of Securities Commissions, Self-Regulatory Organizations Consultative Committee (IOSCO SROCC) was hosted by the Association on 6 November 2012. More than 70 representatives from various countries attended the meeting.

During the meeting, task forces under IOSCO SROCC presented their activity reports, and the members discussed the working topics to be addressed in the coming year. David Wright, IOSCO Secretary General, and Vedat Akgiray, IOSCO Vice Chairman and CMB Chairman, participated in the meeting as speakers.

IOSCO SROCC 5th International Training Program

Our Association was the host of the IOSCO SROCC annual training program from 7 November to 9 November 2012. Held since 2006, the training programs are directed towards capital market regulators, stock exchanges, self-regulatory organizations and representatives from market infrastructure institutions. Expert speakers from various countries and about 90 representatives from 32 countries took part in the training program.

The training program included panels on IOSCO principles on various topics such as credit ratings, high-frequency trading, and financial fraud and sanctions. The case studies that followed the panels provided all the participants with the chance to voice their opinions and suggestions.

Korea Investment Forum

In cooperation with the Korea Financial Investment Association (KOFIA), the Association organized a meeting titled "Korea

Investment Forum" on 6 November 2012. The meeting brought together the senior executives of more than 30 intermediary institutions and asset management companies from Korea and Turkey.

Sung-Uk Yang, KOFIA International Relations Director, and Alparslan Budak, TSPAKB Assistant Secretary General, each gave a presentation on the capital markets and investment opportunities in Korea and in Turkey, respectively. KOFIA Chairman Jong Soo Park and TSPAKB Chairman Attila Köksal expressed that the collaboration efforts between the markets of the two countries will gradually intensify.

Taiwan Investment Forum

Our Association held the "Taiwan Investment Forum" on 6 November 2012, attended by representatives from Taiwan and Turkish capital market institutions.

The inaugural speeches of the Forum were delivered by Vedat Akgiray, the CMB Chairman, and Tang-Chieh Wu, Taiwan's Financial Supervisory Commission Vice Chairman. Taiwan Financial Supervisory Commission Director You-Mei Wu and the TSPAKB Assistant Secretary General Alparslan Budak each gave a presentation on the capital market structures in Taiwan and in Turkey, respectively.

A delegation of 14 representatives of the Taiwan Stock Exchange, Taiwan Futures Exchange, GreTai Securities Market, and Taiwan Securities Association had the chance to discuss collaboration opportunities between the two countries with the representatives of the CMB, ISE, and TSPAKB.

Turkish Derivatives Conference

TSPAKB Chairman Attila Köksal delivered the inaugural speech at the "Turkish Derivatives" conference held on 13-14 November 2012. More than 300 participants attended the conference. As the event's silver sponsor, our Association set up a stand and provided information to the participants.



Recognizing that the Turkish markets will develop through better equipped market professionals, TSPAKB contributes to the know-how in the industry through its training programs.

Licensing Exam Preparation Programs

The Capital Markets Licensing Registration and Training Agency (CMLTA) held the licensing exams on 1-2 September and 15-16 December 2012. The Association organized preparation training programs for the licensing exams given in Basic Level, Advanced Level and Derivatives. A total of 894 individuals attended the 42 programs offered during 2012.

License Renewal Training Programs

Our authority to organize license renewal training programs was handed over to the CMLTA in June 2011. However, based on a protocol signed between the CMLTA and our Association, license renewal training programs were carried out by TSPAKB from May until December 2012. A total of 6,002 individuals took part in the 173 programs organized.

Starting from 2013, license renewal training programs will be organized by CMLTA.

Presentation Techniques in English

In cooperation with the British Side English Language School, the Association organized a 12-week Techniques of English Speaking certification program between 20 February and 7 May 2012.

A placement test was given to the participants before the start of the training. Based on the test results, classes were opened in three levels: Intermediate, Upper Intermediate and Lower

Advanced. A total of 28 individuals attended the training program.

In line with our members' requests, the training program was followed by Presentation Techniques in English course, which was held on 14-15 April 2013 with the attendance of 13 participants.

Turkish Derivatives Exchange Training Programs

During 2012, TSPAKB organized TurkDEX training programs under 4 different groups:

- TurkDEX Computerized New Trading System and New Products Implementation Course
- TurkDEX - Standard Portfolio Analysis of Risk: Span Course
- Options Markets - Basic Level Program
- TurkDEX Client Representative Courses and TurkDEX Application Course.

A total of 224 people attended 15 training programs held during 2012 within the scope of the Turkish Derivatives Exchange training.

Professional Development Courses

In 2012, professional development courses were carried out in a variety of topics including tax, audit, information technology, economy, finance and social media. When designing the courses, the industry's needs and demands are taken into consideration. During 2012, 60 professional development courses were held, which were attended by a total of 1,047 participants.

| Training Programs | Number of Programs | | Number of Participants | |
|--|--------------------|------------|------------------------|--------------|
| | 2011 | 2012 | 2011 | 2012 |
| TurkDex Courses | 16 | 15 | 276 | 224 |
| Licensing Exam Preparation | 13 | 42 | 327 | 894 |
| Professional Development | 11 | 60 | 192 | 1,047 |
| License Renewal | 97 | 173 | 3,093 | 6,002 |
| Joint Program with English Language School | - | 2 | - | 41 |
| Total | 137 | 292 | 3,888 | 8,208 |

Licensing and Record Keeping

The Association publishes data on the market institutions and professionals to facilitate public access to information.

Our Licensing and Record Keeping Authorities Handed Over

Based on the CMB resolution of 1 June 2012, the Association's licensing and record keeping authorities have been handed over to the Capital Markets Licensing Registration and Training Agency (CMLTA) effective 1 July 2012.

License Applications

During the first six months of 2012 (1 January 2012 through 30 June 2012), the Association received 2,433 license applications. 98% of the applications have been brought to conclusion, and license documents were delivered to applicants.

The Association received 30,703 license applications of candidates who have successfully passed the licensing exams given since September 2012. 29,919 of the applications received licenses. The chart below presents the status of applications by types of licenses from 10 April 2003, when the first license document was issued, until 30 June 2012.

Record Keeping

As at 30 June 2012 when the Association's authority to keep records was terminated, 58,242 people were registered in the Licensing and Record Keeping System.

The number of people who do not work for any capital market institution or for whom record notifications have not been made although they work for a capital market institution is 35,181. There are 21,426 licenses in total held by these individuals.

The number of people working for a capital market institution and whose records have been notified to the Association reached 23,061.

From 1 January 2012 until 30 June 2012, the Association received 7,332 notifications, which broke down as follows:

- 2,516 new employments
- 1,545 terminations of employment,
- 2,556 changes of position,
- 223 branch openings,
- 59 branch closures,
- 433 changes of address.

| License Applications | | | |
|---|---------------|---------------|-----------|
| Type of License | Applications | Issuance | % Issued |
| Basic Level | 13,632 | 13,437 | 99 |
| Advanced Level | 6,009 | 5,923 | 99 |
| Derivatives | 2,538 | 2,495 | 98 |
| Real Estate Valuation | 2,158 | 2,033 | 94 |
| Clearing & Operations | 1,100 | 998 | 91 |
| Credit Rating | 667 | 633 | 95 |
| Corporate Governance Rating | 823 | 764 | 93 |
| Independent Audit | 2,236 | 2,194 | 98 |
| Residential Real Estate Valuation | 225 | 208 | 92 |
| Customer Representative - Basic Level | 766 | 731 | 95 |
| Customer Representative - Derivatives | 424 | 386 | 91 |
| Derivatives Accounting and Operations Officer | 125 | 117 | 94 |
| Total | 30,703 | 29,919 | 97 |

The Association constantly strengthens its technology infrastructure to enhance its productivity and provide better quality service for its stakeholders.

Document Management System

In addition to periodic version upgrades, a new server infrastructure was created to secure increased performance. Application, database and document servers were separated, thus switching from a single server structure to a dual server structure.

Training Management System

Numerous developments were made on the Training Management System and its integration with the License Renewal Training was improved.

Licensing and Record Keeping System (LRKS)

Further developments and improvements were made on the Licensing and Record Keeping System (LRKS). Work is underway for the handover of LRKS to the CMLTA. Periodic exam results have been transferred into the system.

Corporate Website

Our website has been continuously updated. Statistical data have been generated and reported on the site traffic and usage.

Member Management System

The Member Management System that is planned to replace the existing Member Databank went live in November 2012. The new system was used to collect the 2012-09 data of intermediary institutions and to generate periodic reports. Development is ongoing for automated generation of several periodic reports.

Software Project Management and User Helpdesk System

A project management and user helpdesk system was put into service for the management of software projects. All internally or externally developed software and error management logs have been migrated into the new system. Internal and external users have been trained on the subject.

E-mail System

An agreement was reached with a company offering professional services for emailing our Association's announcements, particularly those related to publications and training programs.

Disaster Recovery and Business Continuity

Within the scope of disaster recovery efforts, a disaster recovery scenario was tested and successfully finalized.

Infrastructure Updates

Within the frame of infrastructure updates, servers, virtualization, replication and security software were upgraded while firewall and other hardware equipment were updated.

TSPAKB issues press releases for its publications, events and meetings, while using public statements and interviews to convey its opinions on the developments in the markets.

In 2012, the Association issued 13 notes and 19 press releases.

During 2012, 545 news articles related to the Association appeared in the press. 86 news appeared on TV while 806 articles were published on the internet. Press releases issued by the Association and major news articles covered by the media are posted under the "Press Room" menu on our website.



Actively taking part and assuming key roles in the national and international organizations it belongs to, TSPAKB contributes to international practices.

DEIK

The Foreign Economic Relations Board (DEIK) was founded in 1988, in order to handle the foreign economic relations of the private sector. Our Association became a member of DEIK in 2008, with “founding member” status to represent our industry more effectively on international platforms.

AFIE

The Asia Forum for Investor Education (AFIE) was established as a regional subcommittee of the International Forum for Investor Education (IFIE) in 2010. Intending to develop investor education in the securities markets and to form a platform for sharing information and experience among its members in the Asia-Pacific region, our Association participated in the Forum as a founding member. TSPAKB is an Advisory Committee Member at AFIE.

ASF

The Asia Securities Forum (ASF) was founded in 1995 with the aims of improving the securities market, contributing to economic development and promoting exchange of information between members in the Asia-Pacific region. Our Association became a member of this forum, whose members are associations, exchanges and various institutions in the region, in September 2009.

FEAS

The Federation of Euro-Asian Stock Exchanges (FEAS), which was founded in 1995 under the leadership of the ISE, is an institution with which exchanges, settlement and custody institutions affiliate. The aim of FEAS is to promote

cooperation between members, provide a more effective and transparent market environment and represent FEAS members in the related organizations. Our Association became an affiliate member of the Federation in September 2009. Since 2010, TSPAKB chairs the Dealers Associations’ Task Force.

ICSA

The International Council of Securities Associations (ICSA) is an organization representing industry associations. The aim of the Council, which was founded in 1988, is to contribute to the development of the markets by maintaining cooperation between associations. Our Association has been a member of the Council since 2006. TSPAKB is a member of the Advisory Committee and Chairman of the Emerging Markets Committee.

IFIE

The aim of International Forum for Investor Education (IFIE), which was set up in 2005, is to enhance investor education on a global level and to support investors in taking well-informed decisions. Our Association joined the Forum, where self-regulatory, regulatory and various non-profit organizations are represented, in September 2009. TSPAKB serves on the Membership Development Strategy Committee and the Advisory Committee.

IOSCO

The International Organization of Securities Commissions (IOSCO) was founded in 1983 by regulatory authorities in the capital markets to set global standards. Our Association joined the organization in 2003 as affiliate member.

With its objective of improving the capital markets, the Association acquires equity stakes in capital market institutions and participates in their management.

Turkish Derivatives Exchange

TSPAKB has a 6% share in the Turkish Derivatives Exchange Inc. (TurkDEX). Our Association holds TL 540,000 in the company's total capital of TL 9,000,000. The Association continued to be represented by two members on the TurkDEX Board of Directors in 2012.

Central Registry Agency

TSPAKB has a 5% share in the Central Registry Agency Inc. (CRA). Our Association holds TL 300,000 of the company's total capital of TL 6,000,000. The Association continued to be represented by one member on the CRA Board of Directors in 2012.

Capital Markets Licensing Registration and Training Agency

Capital Markets Licensing Registration and Training Agency Inc. (CMLTA) was founded on 16 June 2011 to organize training programs, issue licenses and keep records of the market professionals.

The Association holds TL 800,000 in the company's total capital of TL 2,000,000 and was represented by three members on the CMLTA Board of Directors in 2012.

Oversight and Dispute Resolution

Oversight

The Association is authorized to regulate, supervise and enforce issues delegated to it by legislation or by the CMB. In this context, the Compliance and Surveillance and Legal Affairs Departments conduct inspections when necessary, and apply the provisions of the legislation in case of non-compliance.

Dispute Resolution

Investor complaints related to intermediary institutions are handled within the context of the Association's duty and authority of "assisting in the resolution of conflicts between members or between members and their customers arising from non-market transactions." Efforts are spent to resolve conflicts between our members and investors without resorting to legal action.

Inquiries

Within the frame of the Law on the Right to Obtain Information, the association received a total of 84 inquiries during 2012.

The Association provided access to information

and documents for 80 inquiries. Partial Access to information was granted for one application, while three applications were rejected.



Auditors' Report

TO THE GENERAL ASSEMBLY OF THE ASSOCIATION OF CAPITAL MARKET INTERMEDIARY INSTITUTIONS OF TURKEY

AUDITORS' REPORT

26.03.2012

The Association's accounts and transactions have been audited on a monthly basis in accordance with article 20 of the Statute of the Association of Capital Market Intermediary Institutions of Turkey.

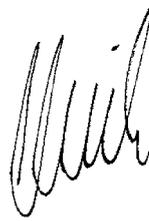
The records of the Association of Capital Market Intermediary Institutions of Turkey were observed to have been kept in accordance with the relevant regulations and accounting principles, and accurately reflect the financial position of the Association.

We hereby place the balance sheet, income statement and final account position as well as the Auditors' Report for the year ended 31 December 2012 for your consideration to be approved, and hereby recommend the Board of Directors be released from its liabilities.

BOARD OF AUDITORS



Serdar SATOĞLU, Ph.D.
AUDITOR



Vesile ŞARLIOĞLU
AUDITOR



Recep ATAKAN
AUDITOR



discloses explains

TSPAKB shares its financial statements on a regular basis. These statements are presented in a plain language that can be understood by the general public.

Financial Statements

| Balance Sheet (TL) | | | |
|---|------------------|------------------|------------|
| | 31/12/2012 | 31/12/2011 | Change (%) |
| Current Assets | 2,732,997 | 2,863,753 | -5 |
| Cash and Cash Equivalents | 2,232,643 | 2,302,003 | -3 |
| Securities | 0 | 0 | N.M. |
| Trade Receivables | 166,105 | 230,657 | -28 |
| Other Receivables | 11,496 | 0 | N.M. |
| Prepaid Expenses and Income Accruals | 319,835 | 320,722 | 0 |
| Other Current Assets | 2,918 | 10,371 | -72 |
| Non-Current Assets | 1,648,861 | 1,654,079 | 0 |
| Financial Assets | 1,640,000 | 1,642,525 | 0 |
| Tangible Assets | 3,561,064 | 3,557,375 | 0 |
| Intangible Assets | 209,832 | 207,615 | 1 |
| Accumulated Depreciation (-) | -3,766,757 | -3,758,159 | 0 |
| Other Non-Current Assets | 4,722 | 4,722 | 0 |
| Total Assets | 4,381,858 | 4,517,831 | -3 |
| Current Liabilities | 421,963 | 712,129 | -41 |
| Trade Payables | 16,819 | 138,543 | -88 |
| Other Payables | 19,008 | 7,509 | 153 |
| Advances Received | 28,010 | 46,370 | -40 |
| Taxes Payable and Other Obligations | 135,695 | 151,800 | -11 |
| Revenue and Expense Accruals | 222,430 | 367,907 | -40 |
| Non-Current Liabilities | 818,756 | 858,035 | -5 |
| Provisions for Liabilities and Expenses | 818,756 | 858,035 | -5 |
| Shareholders' Equity | 3,141,139 | 2,947,667 | 7 |
| Funds | 1,645,000 | 1,647,525 | 0 |
| Current Year Profit/Loss | 1,496,139 | 1,300,142 | 15 |
| Total Liabilities | 4,381,858 | 4,517,831 | -3 |

* N.M.: Not Meaningful

Income Statement (TL)

| | 31/12/2012 | 31/12/2011 | Change (%) |
|--|------------------|------------------|------------|
| Admission Fees | 100,000 | 0 | N.M. |
| Expense Contributions | 2,043,202 | 2,370,089 | -14 |
| Annual Fees | 690,937 | 801,735 | -14 |
| Overdue Interest | 19,110 | 0 | N.M. |
| Income Surplus Transferred | 1,300,142 | 2,331,934 | -44 |
| Donations | 0 | 0 | N.M. |
| Revenues From Publications | 0 | 0 | N.M. |
| Revenues From Training, Courses and Seminars | 1,435,010 | 601,015 | 139 |
| Miscellaneous Revenues | 1,357,813 | 1,498,269 | -9 |
| Total Revenues | 6,946,215 | 7,603,043 | -9 |
| Personnel | 3,378,124 | 3,497,701 | -3 |
| Consultancy | 79,969 | 74,925 | 7 |
| Office | 334,728 | 345,147 | -3 |
| Public Relations and Meeting | 390,547 | 417,366 | -6 |
| Research and Publications | 83,861 | 143,704 | -42 |
| Information Technology | 191,955 | 368,144 | -48 |
| Training, Courses and Seminars | 572,747 | 227,353 | 152 |
| Travel and Accommodation | 85,258 | 162,770 | -48 |
| Fixed Asset and Fixtures Purchases | 6,382 | 19,871 | -68 |
| Subsidiaries | 0 | 800,000 | N.M. |
| Miscellaneous | 276,957 | 230,420 | 20 |
| Total Expenses | 5,400,527 | 6,287,400 | -14 |
| Pre Tax Income | 1,545,688 | 1,315,643 | 17 |
| Taxes and Other Legal Allowances | -49,549 | -15,501 | 219 |
| Net Income | 1,496,139 | 1,300,142 | 15 |

* N.M.: Not Meaningful

www.tspakb.org.tr



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